

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

5. Lease Serial No.
UTU-25880

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
BITTER CREEK 1122-10E

9. API Well No.
113-047-39764

10. Field and Pool, or Exploratory
UNDEVELOPED Bitter Creek

11. Sec., T., R., M., or Blk. and Survey or Area

SEC. 10, T11S, R22E

12. County or Parish
UINTAH

13. State
UTAH

1a. Type of Work: ☒ DRILL

☐ REENTER

b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone

2. Name of Operator
KERR MCGEE OIL & GAS ONSHORE LP

3A. Address
1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)
(435) 781-7024

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface **SW/NW 1801'FNL, 532'FWL**

At proposed prod. Zone **632722x 44150864**

14. Distance in miles and direction from nearest town or post office*
39 +/- MILES SOUTHEAST OF OURAY, UTAH

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any) **532'**

16. No. of Acres in lease
614.64

17. Spacing Unit dedicated to this well
40.00

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.
REFER TO TOPO C

19. Proposed Depth
8410'

20. BLM/BIA Bond No. on file
BOND NO. WYB000291

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5718'GL

22. Approximate date work will start*

23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.

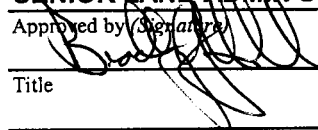
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized office.

25. Signature

Title
SENIOR LAND ADMIN SPECIALIST

Name (Printed/Typed)
SHEILA UPCHEGO

Date
10/30/2007

Approved by (Signature)

Title

Name (Printed/Typed)

Date
11-07-07

Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

RECEIVED
NOV 02 2007
DIV. OF OIL, GAS & MINING

T11S, R22E, S.L.B.&M.

1923 Brass Cap,
2.5' High, Pile of
Stones

S89°49'14"W - 2645.12' (Meas.)

N89°52'E - 2646.60' (G.L.O.)

1928 Brass Cap,
1.3' High, Pile of
Stones

1801'

S00°01'33"E - 2639.25' (Meas.)

532'

BITTER CREEK #1122-10E
Elev. Ungraded Ground = 5718'

10

1923 Brass Cap,
1.3' High, Steel
Post, Pile of
Stones

N00°02'W - 2640.00' (G.L.O.)

N00°01'W - 5280.00' (G.L.O.)

N89°52'E - 5283.96' (G.L.O.)

LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(NAD 83)
LATITUDE = 39°52'38.46" (39.877350)
LONGITUDE = 109°26'55.27" (109.448686)
(NAD 27)
LATITUDE = 39°52'38.58" (39.877383)
LONGITUDE = 109°26'52.82" (109.448006)

Kerr McGee Oil & Gas Onshore LP

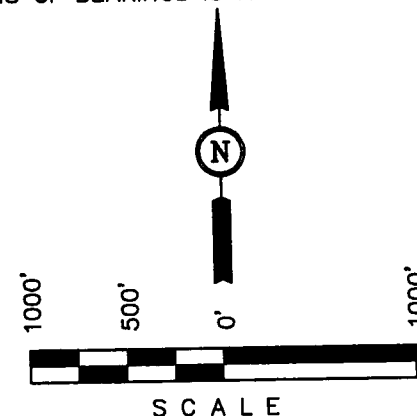
Well location, BITTER CREEK #1122-10E, located as shown in the SW 1/4 NW 1/4 of Section 10, T11S, R22E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

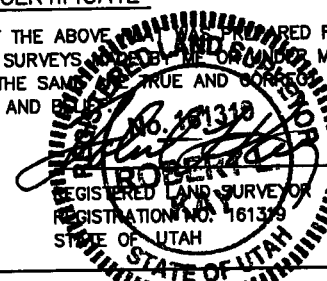
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 06-08-07	DATE DRAWN: 06-012-07
PARTY J.M. B.C. C.H.	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE Kerr McGee Oil & Gas Onshore LP	

**BITTER CREEK 1122-10E
SW/NW SEC. 10, T11S, R22E
UINTAH COUNTY, UTAH
UTU-25880**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	872'
Top of Birds Nest Water	1183'
Mahogany	1507'
Wasatch	3844'
Mesaverde	6138'
MVU2	7066'
MVL1	7595'
TD	8410'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	872'
	Top of Birds Nest Water	1183'
	Mahogany	1507'
	Wasatch	3844'
Gas	Mesaverde	6138'
Gas	MVU2	7066'
Gas	MVL1	7595'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment (Schematic Attached)

Please refer to the attached Drilling Program.

4. Proposed Casing & Cementing Program:

Please refer to the attached Drilling Program.

5. Drilling Fluids Program:

Please refer to the attached Drilling Program.

6. Evaluation Program:

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8410' TD, approximately equals 5214 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3364 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

9. **Variances:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP **DRILLING PROGRAM**

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE October 30, 2007
WELL NAME BITTER CREEK 1122-10E TD 8,410' MD/TVD
FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,717' GL KB 5,732'
SURFACE LOCATION SW/NW SEC. 10, T11S, R22E 1801'FNL, 532'FWL BHL Straight Hole
Latitude: 39.877350 Longitude: 109.448686
OBJECTIVE ZONE(S) Wasatch/Mesaverde
ADDITIONAL INFO Regulatory Agencies: BLM (SURF & MINERALS), UDGOM, Tri-County Health Dept.

GEOLOGICAL FORMATION			MECHANICAL		
LOGS	TOPS	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		40'		14"	
			12-1/4"	9-5/8", 32.3#, H-40, STC	Air mist
Catch water sample, if possible, from 0 to 3,844'					
	Green River @	0,872'			
	Top of Birds Nest Water @	1,183'			
	Mahogany @	1,507'			
		1,800' MD			
Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone.					
Mud logging program TBD Open hole logging program f/ TD - surf csg					
	Wasatch @	3,844'	7-7/8"	4-1/2", 11.6#, I-80 or equivalent LTC casing	Water/Fresh Water Mud 8.3-11.2 ppg
	Mverde @	6,138'			
	MVU2 @	7,066'			
	MVL1 @	7,595'			
		TD @ 8,410'			Max anticipated Mud required 11.2 ppg



KERR-McGEE OIL & GAS ONSHORE LP **DRILLING PROGRAM**

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				2270	1370	254000
SURFACE	9-5/8"	0 to 1800	32.30	H-40	STC	7780	1.63	4.99
PRODUCTION	4-1/2"	0 to 8410	11.60	I-80	LTC	2.55	1.30	2.36

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point))
2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)
(Burst Assumptions: TD = 11.2 ppg) .22 psi/ft = gradient for partially evac wellbore
(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MASP 3048 psi

~~1) MASP (Burst) = 2000 psi (much stronger than formation at 2000' - EMW @ 2000' for 2270 psi - 0.22 ppg x 1800 ft)~~

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE Option 2	LEAD	1500	NOTE: If well will circulate water to surface, option 2 will be utilized Prem cmt + 16% Gel + 10 pps gilsonite + 25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + 25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,340'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	370	60%	11.00	3.38
	TAIL	5,070'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1420	60%	14.30	1.31

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder &

four sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

Brad Laney

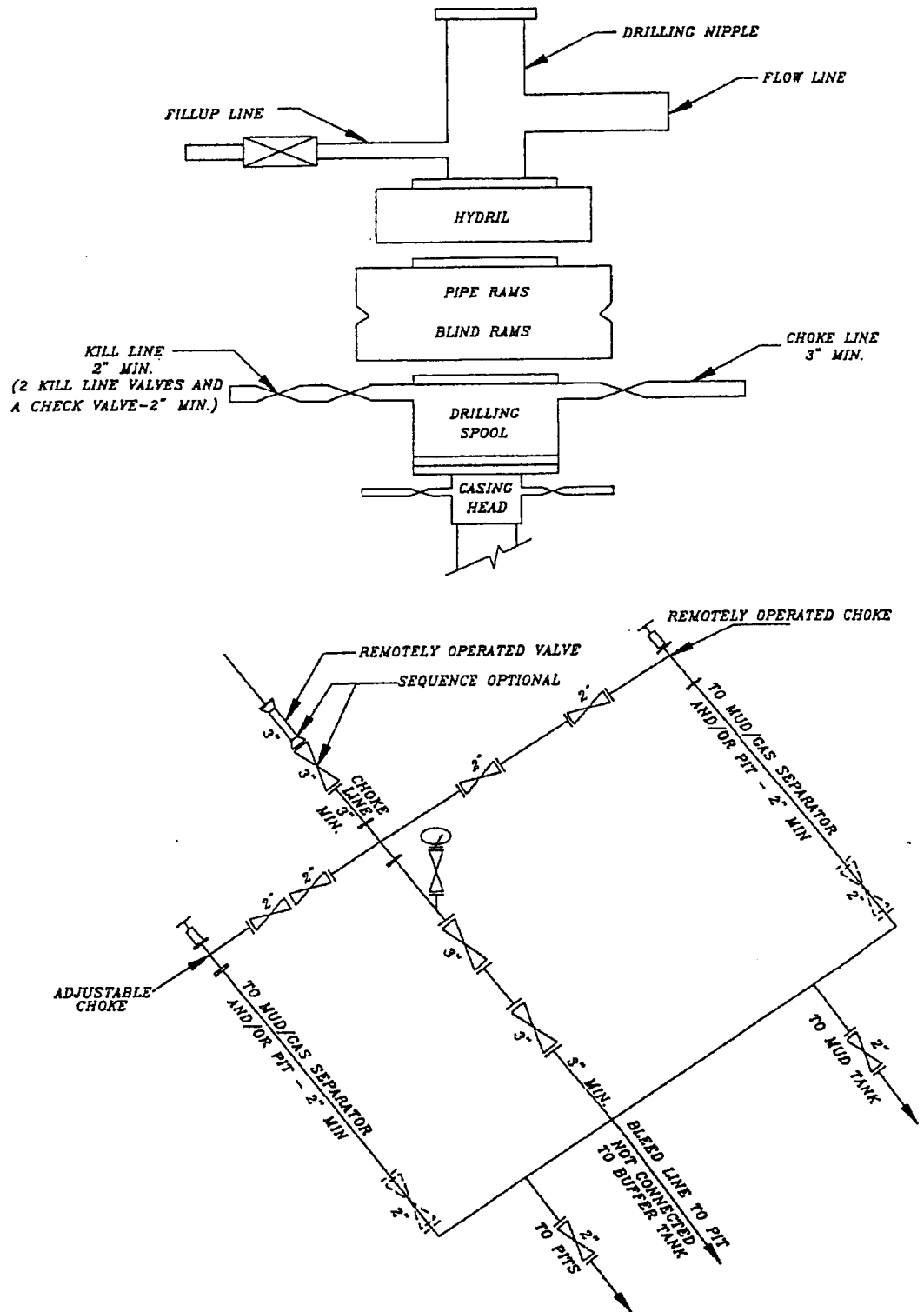
DATE:

DRILLING SUPERINTENDENT:

Randy Bayne

DATE:

5M BOP STACK and CHOKE MANIFOLD SYSTEM



**BITTER CREEK 1122-10E
SW/NW SEC. 10, T11S, R22E
UINTAH COUNTY, UTAH
UTU-25880**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the proposed location are attached.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

Approximately 0.15 +/- miles of access road is proposed. Refer to Topo Map B for the access road.

The access road will be crowned (2 to 3%), ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free-flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing or shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities & Pipelines:

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon (2.5 Y 6/2) as determined during the on-site inspection.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Variances to Best Management Practices (BMP) Requests:

A 30' of Rights-of-Way will be required for approximately 2550' +/- of 4" steel pipeline shall be installed to the proposed location from the Tie-in point in NE/4 in Sec. 9, T11S, R22E (#UTU-71418), to the proposed well location. Refer to Topo Map D for pipeline placement.

The pipeline will be butt-welded together. The pipeline shall be installed on surface within access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

This exception to the BMP should be granted by the BLM Authorized Officer because indurated bedrock, such as sandstone, is at or within 2 feet of the surface and the soil has a poor history for successful rehabilitation.

5. Location and Type of Water Supply:

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec.32, T4S,R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. **Source of Construction Materials:**

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. **Methods of Handling Waste Materials:**

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner is to be used as discussed during on-site inspection. It will be a minimum of 20 mil thick and felt with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E. (Request is in lieu of filing Form 3160-5, after initial production).

8. **Ancillary Facilities:**

None are anticipated.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. **Plans for Reclamation of the Surface:**

Producing Location:

Interim Surface Reclamation Plan:

When the pit is backfilled within 180 days of well completion, the operator shall spread the top soil pile on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The operator will reseed the area using the BLM recommended seed mixture and reclamation methods.

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

When the pit is backfilled, the topsoil pile shall be spread on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The following seed mixture will be used to reclaim the surface for interim reclamation using appropriate reclamation methods. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for drilled seeds are:

Shad Scale	15 lbs.
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The operator shall call BLM for the seed mixture when final reclamation occurs.

11. Surface Ownership:

United States of America
Bureau of Land Management
170 South 500 East
Vernal, UT 84078
(435) 781-4400

12. STIPULATIONS:

WILDLIFE STIPULATIONS:

ANTELOPE: No drilling or construction from May 15th – June 20th.

SAGE GROUSE: No drilling or construction from March 1st – June 30th.

13. Other Information:

A Class III Archaeological Survey has been performed the report will be submitted when the report becomes available.

The Paleontological Reconnaissance Survey has been performed will be submitted when report becomes available.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance. The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

13. Lessee's or Operators's Representative & Certification:

Sheila Upchego
Senior Land Admin Specialist
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435) 781-7024

Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435)781-7018

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Westport Oil & Gas Company agrees to be responsible under the terms and the conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for the lease activities is being provided by BLM Nationwide Bond #WYB000291.

I hereby certify that the proposed drill site and access route has been inspected and that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


Sheila Upchego

October 30, 2007
Date

Kerr-McGee Oil & Gas Onshore LP
BITTER CREEK #1122-10E
SECTION 10, T11S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 3.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.25 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 55.2 MILES.

Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-10E

LOCATED IN UTAH COUNTY, UTAH

SECTION 10, T11S, R22E, S.L.B.&M.

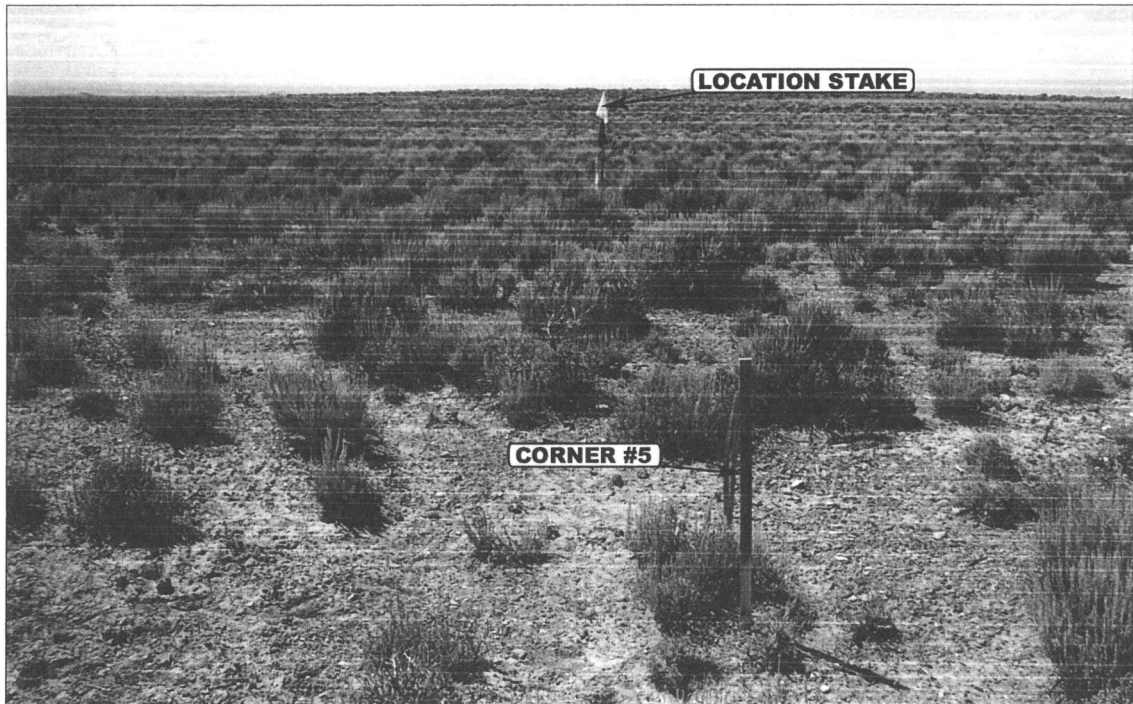


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

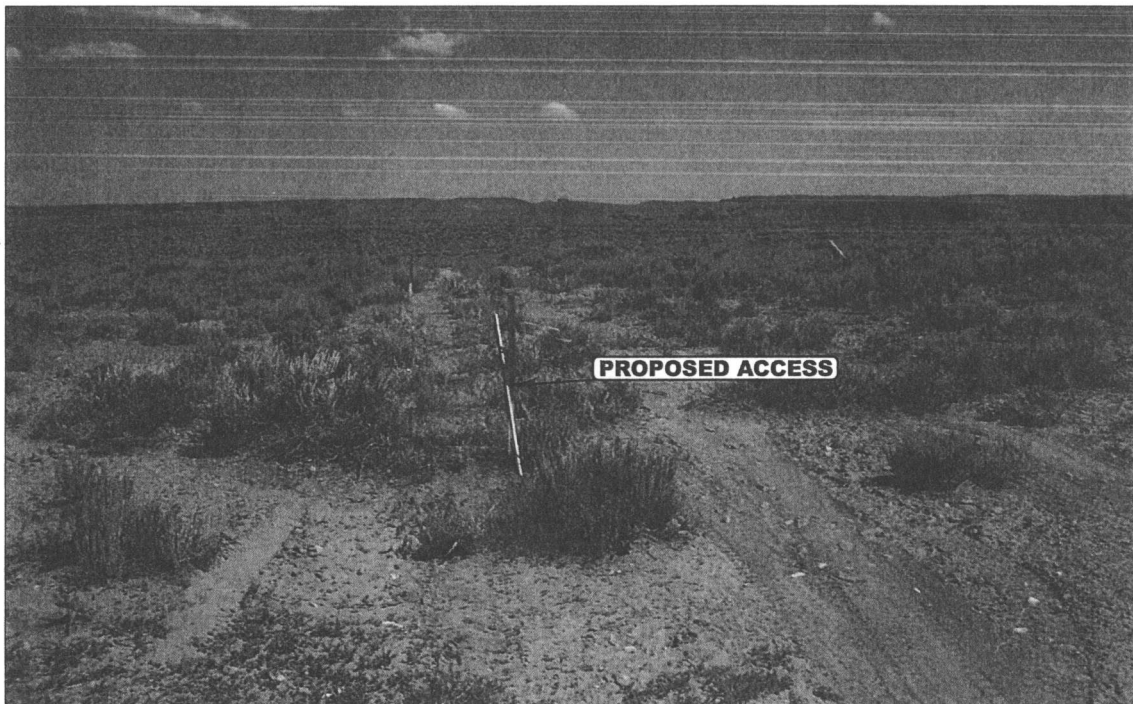


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY



- Since 1964 -

UELS

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

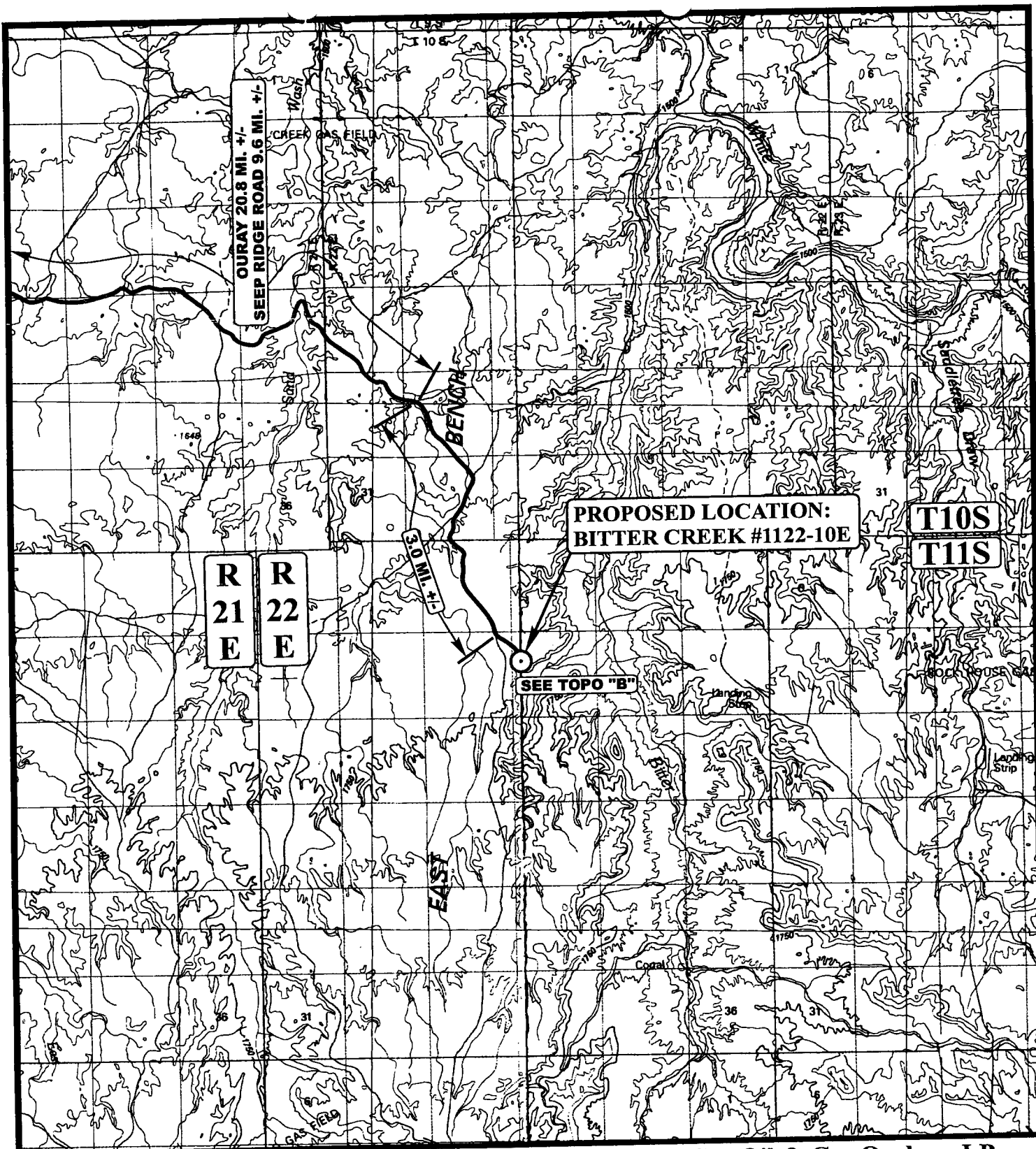
06 12 07
MONTH DAY YEAR

PHOTO

TAKEN BY: J.M.

DRAWN BY: C.P.

REVISED: 00-00-00



LEGEND:

○ PROPOSED LOCATION

Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-10E

SECTION 10, T11S, R22E, S.L.B.&M.

1801' FNL 532' FWL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

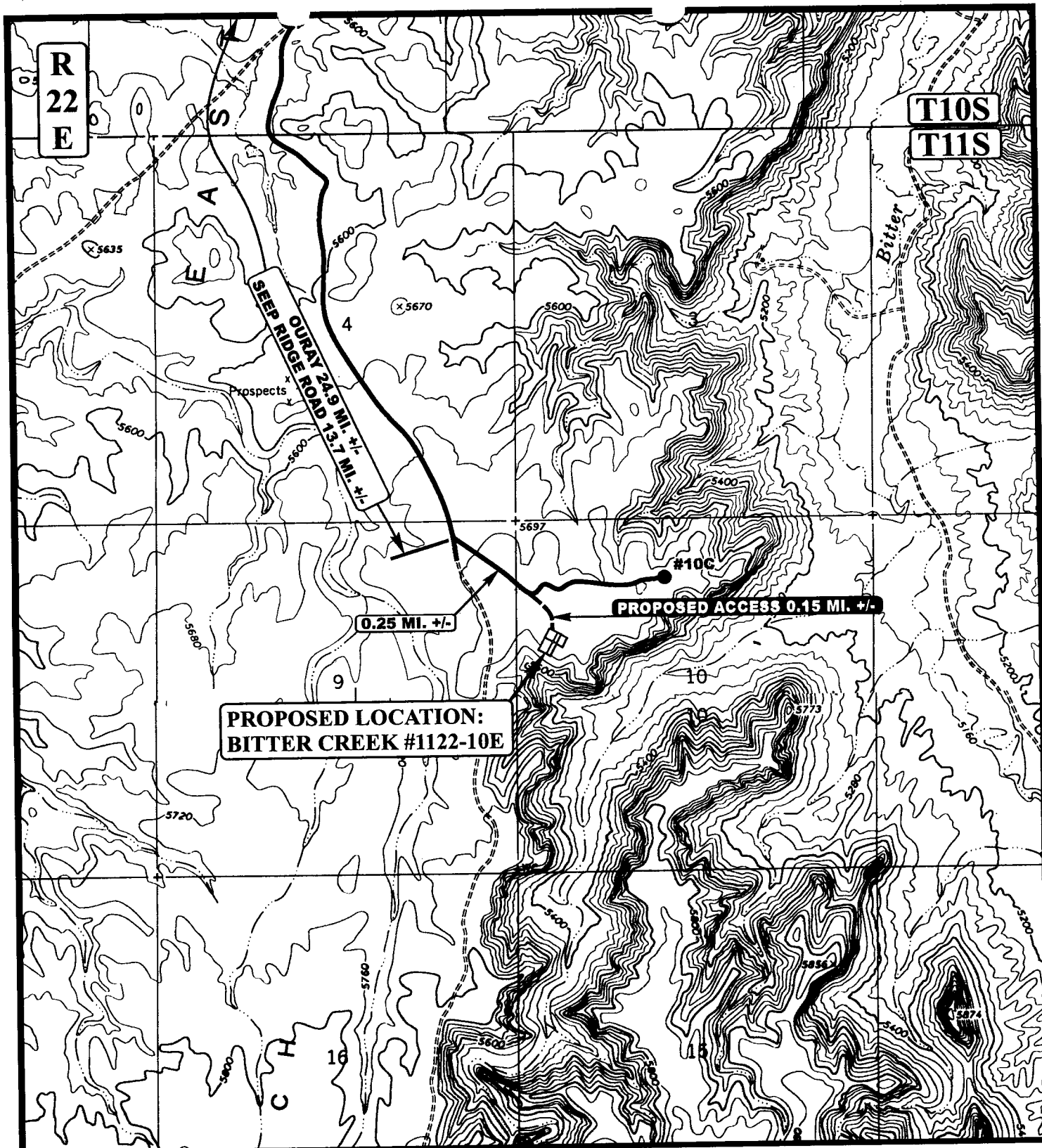
06 12 07
MONTH DAY YEAR

SCALE: 1:100,000

DRAWN BY: C.P.

REVISED: 00-00-00





LEGEND:

————— EXISTING ROAD
 - - - - - PROPOSED ACCESS ROAD

Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-10E
SECTION 10, T11S, R22E, S.L.B.&M.
1801' FNL 532' FWL



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 (435) 789-1017 * FAX (435) 789-1813

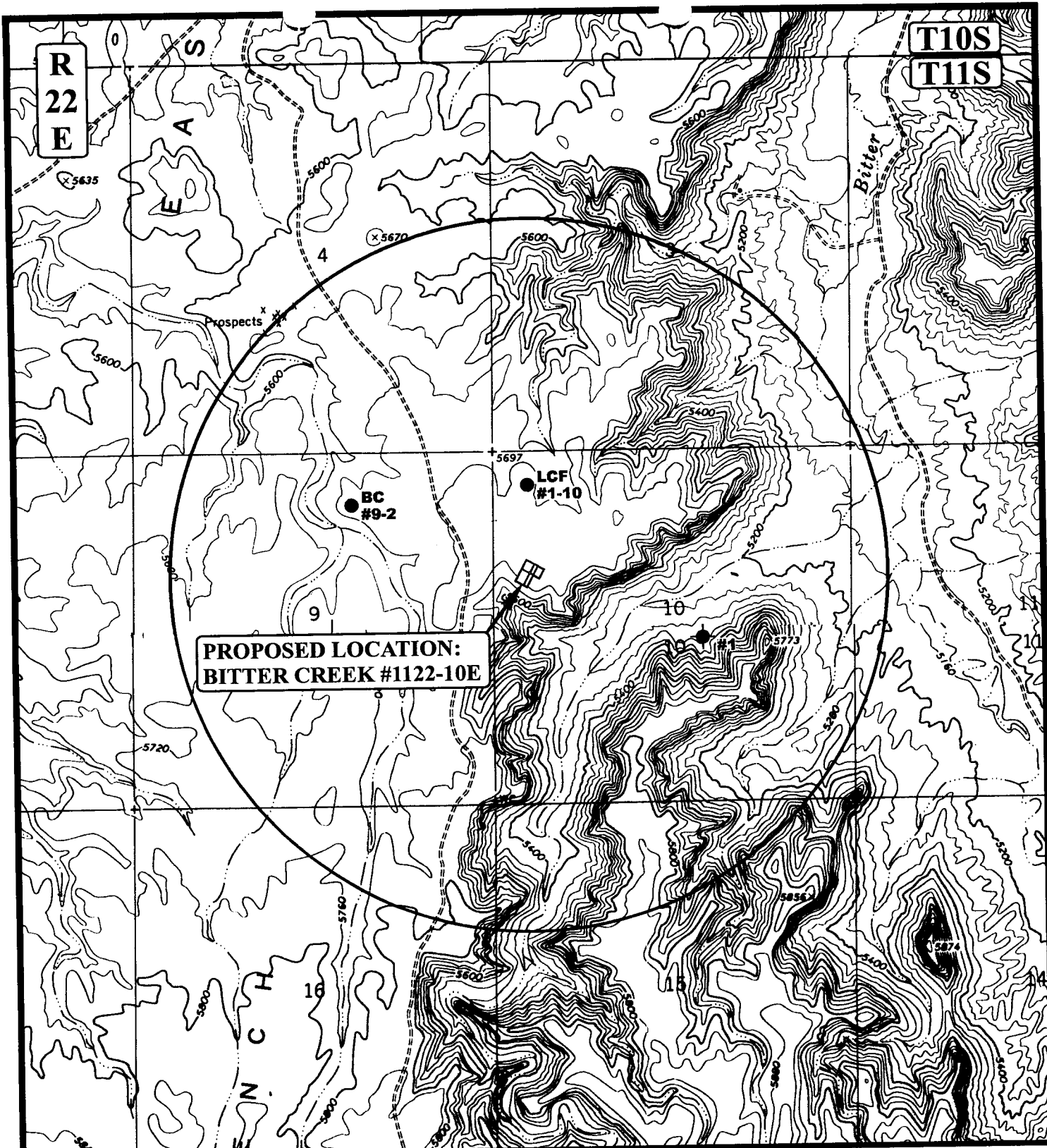


**TOPOGRAPHIC
MAP**

06 12 07
 MONTH DAY YEAR

SCALE: 1" = 2000' **DRAWN BY: C.P.** **REVISED: 00-00-00**

B
TOPO



**PROPOSED LOCATION:
BITTER CREEK #1122-10E**

LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



Kerr-McGee Oil & Gas Onshore LP

**BITTER CREEK #1122-10E
SECTION 10, T11S, R22E, S.L.B.&M.
1801' FNL 532' FWL**



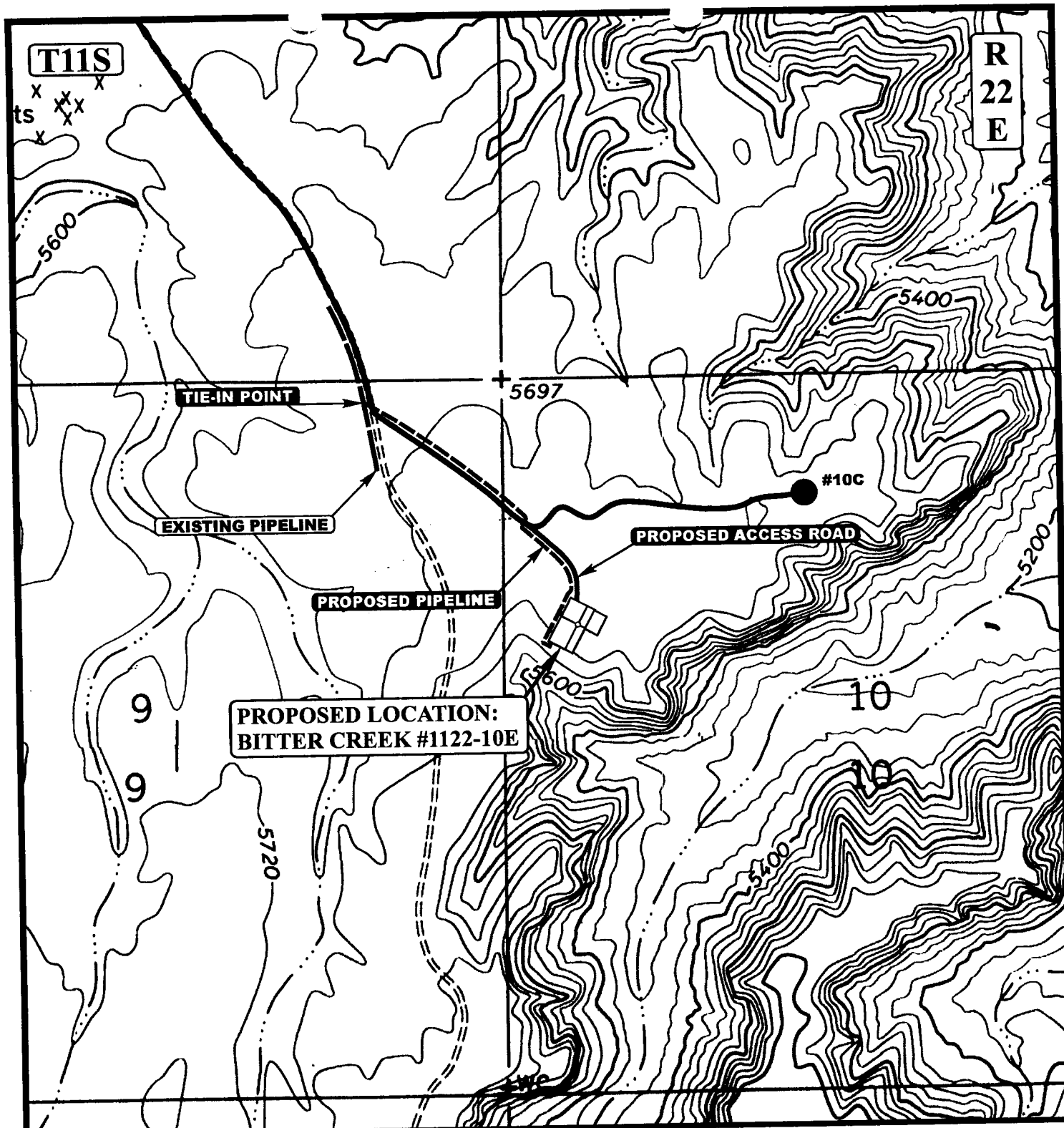
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

06 12 07
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 2,550' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE



Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-10E
SECTION 10, T11S, R22E, S.L.B.&M.
1801' FNL 532' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

06	12	07
MONTH	DAY	YEAR

SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 10-09-07

D
TOPO

Kerr-McGee Oil & Gas Onshore LP
BITTER CREEK #1122-10E
 PIPELINE ALIGNMENT
 LOCATED IN UINTAH COUNTY, UTAH
 SECTION 10, T11S, R22E, S.L.B.&M.



PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: SOUTHERLY

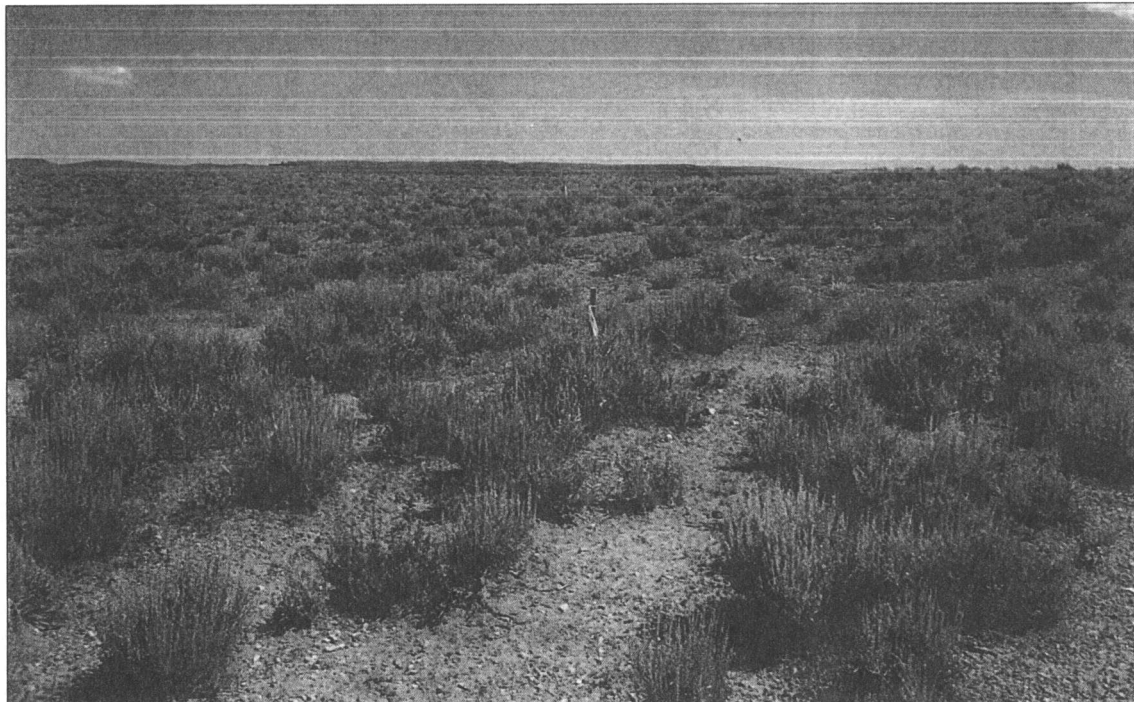


PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: SOUTHERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 435-789-1017 uels@uelsinc.com

PIPELINE PHOTOS

06 12 07
 MONTH DAY YEAR

PHOTO

TAKEN BY: J.M.

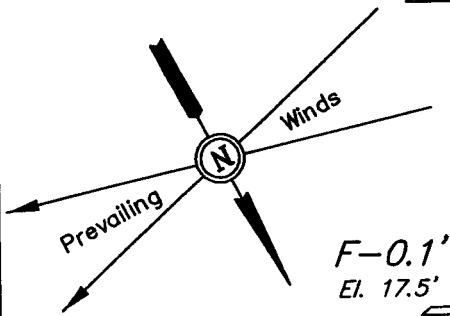
DRAWN BY: C.P.

REVISED: 00-00-00

Kerr-McGee Oil & Gas Onshore LP

FIGURE #1

LOCATION LAYOUT FOR
BITTER CREEK #1122-10E
SECTION 10, T11S, R22E, S.L.B.&M.
1801' FNL 532' FWL



SCALE: 1" = 50'
DATE: 06-12-07
Drawn By: C.H.

Approx.
Top of
Cut Slope

NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.

El. 21.3'
C-13.9'
(btm. pit)

FLARE PIT

Reserve Pit Backfill
& Spoils Stockpile

15' WIDE BENCH

RESERVE PITS
(10' Deep)
Total Pit Capacity
W/2' of Freeboard
= 9,850 Bbls. ±
Total Pit Volume
= 2,780 Cu. Yds.

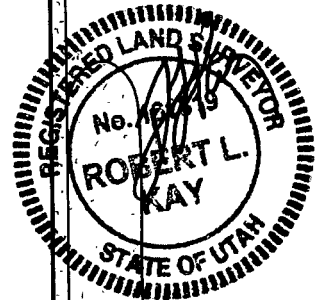
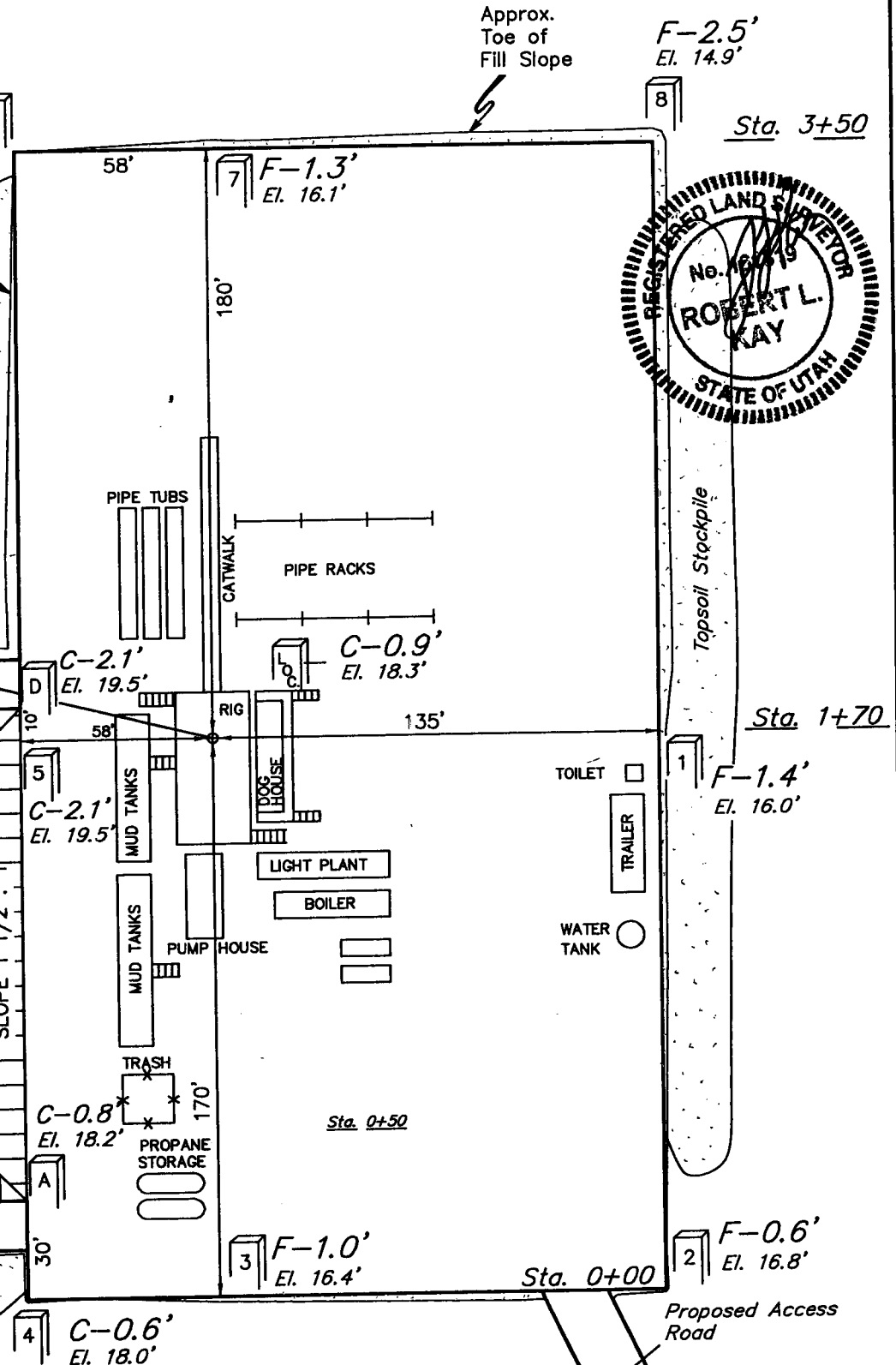
SLOPE 1 1/2 : 1

El. 19.9'
C-12.5'
(btm. pit)

Reserve Pit Backfill
& Spoils Stockpile

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5718.3'
FINISHED GRADE ELEV. AT LOC. STAKE = 5717.4'

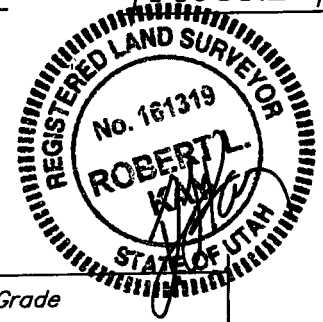


UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

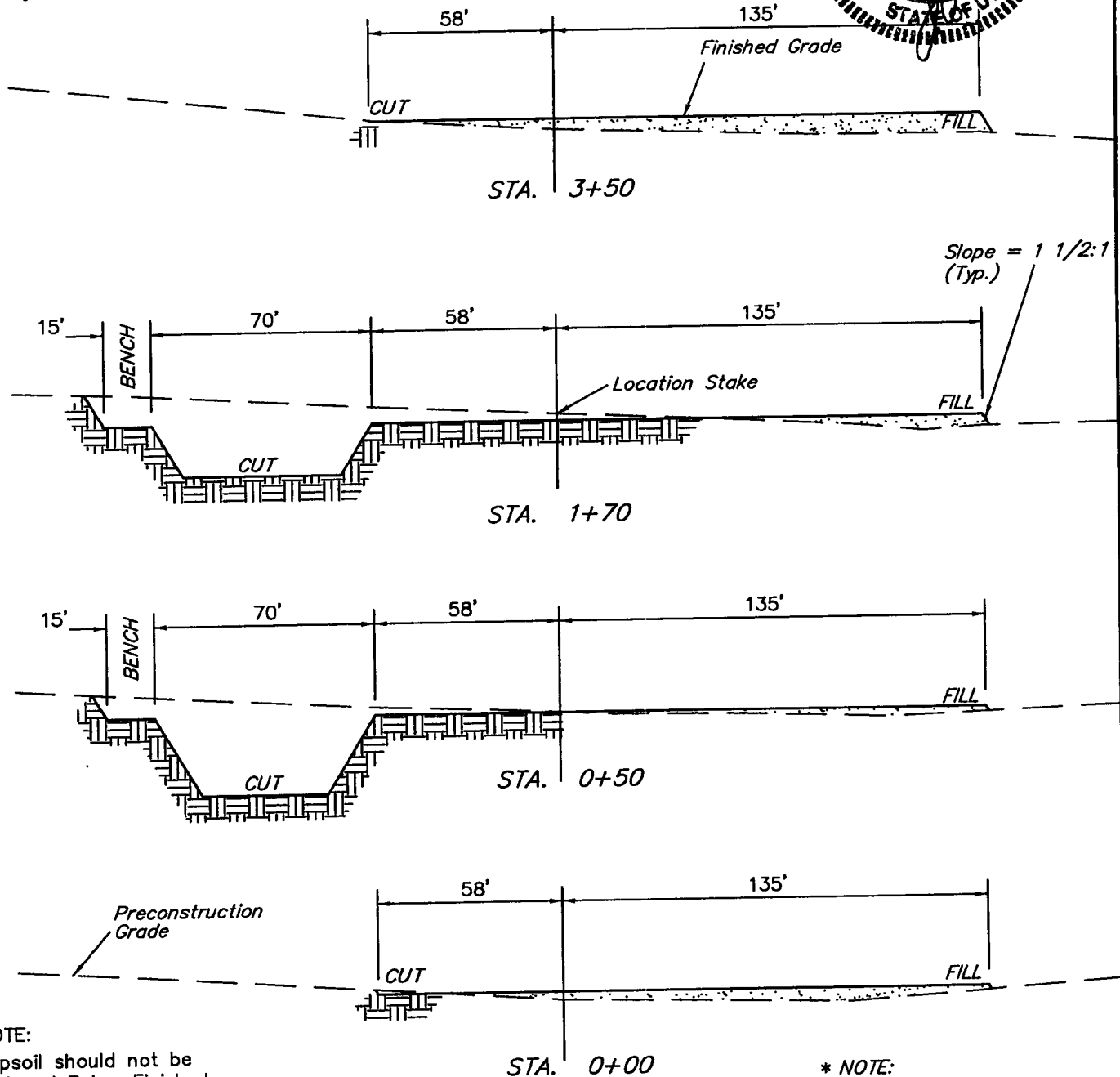
Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

TYPICAL CROSS SECTIONS FOR
BITTER CREEK #1122-10E
SECTION 10, T11S, R22E, S.L.B.&M.
1801' FNL 532' FWL



1" = 20'
X-Section
Scale
1" = 50'
DATE: 06-12-07
Drawn By: C.H.



NOTE:
Topsoil should not be
Stripped Below Finished
Grade on Substructure Area.

* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 1,640 Cu. Yds.
Remaining Location = 4,360 Cu. Yds.
TOTAL CUT = 6,000 CU.YDS.
FILL = 2,970 CU.YDS.

EXCESS MATERIAL = 3,030 Cu. Yds.
Topsoil & Pit Backfill = 3,030 Cu. Yds.
(1/2 Pit Vol.)
EXCESS UNBALANCE = 0 Cu. Yds.
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/02/2007

API NO. ASSIGNED: 43-047-39764

WELL NAME: BITTER CREEK 1122-10E

OPERATOR: KERR-MCGEE OIL & GAS (N2995)

CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

SWNW 10 110S 220E

SURFACE: 1801 FNL 0532 FWL

BOTTOM: 1801 FNL 0532 FWL

COUNTY: UINTAH

LATITUDE: 39.87734 LONGITUDE: -109.4480

UTM SURF EASTINGS: 632722 NORTHINGS: 4415086

FIELD NAME: BITTER CREEK (547)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-25880

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

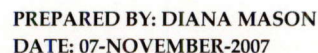
☒ Plat
☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. WYB000291)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. 43-8496)
☒ RDCC Review (Y/N)
(Date:)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.
Unit: _____
___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
___ R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 210-04
Eff Date: 4-12-2004
Siting: 460 ft. exploratory well & 920 ft. other wells
___ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1. Local Approval





JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

November 7, 2007

Kerr McGee Oil & Gas Onshore LP
1368 S 1200 E
Vernal, UT 84078

Re: Bitter Creek 1122-10E Well, 1801' FNL, 532' FWL, SW NW, Sec. 10, T. 11 South,
R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39764.

Sincerely,

(for) Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal Office

Operator: Kerr McGee Oil & Gas Onshore LP

Well Name & Number Bitter Creek 1122-10E

API Number: 43-047-39764

Lease: UTU-25880

Location: SW NW **Sec.** 10 **T.** 11 South **R.** 22 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dustin Doucet at (801) 538-5281 (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

RECEIVED
VERNAL FIELD OFFICE

2007 OCT 31 PM 3:19

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

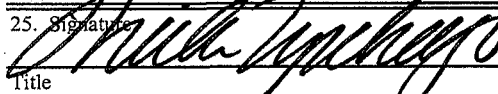
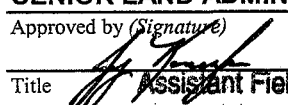
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER			5. Lease Serial No. UTU-25880		
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone			6. If Indian, Allottee or Tribe Name		
2. Name of Operator KERR McGEE OIL & GAS ONSHORE LP			7. If Unit or CA Agreement, Name and No.		
3A. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078			8. Lease Name and Well No. BITTER CREEK 1122-10E		
3b. Phone No. (include area code) (435) 781-7024			9. API Well No. 43-047-39764		
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SW/NW 1801'FNL, 532'FWL At proposed prod. Zone			10. Field and Pool, or Exploratory UNDESIGNATED		
14. Distance in miles and direction from nearest town or post office* 39 +/- MILES SOUTHEAST OF OURAY, UTAH			11. Sec., T., R., M., or Blk, and Survey or Area SEC. 10, T11S, R22E		
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 532'		16. No. of Acres in lease 614.64	17. Spacing Unit dedicated to this well 40.00		
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C		19. Proposed Depth 8410'	20. BLM/BIA Bond No. on file BOND NO. WYB000291		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5718'GL		22. Approximate date work will start*		23. Estimated duration	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized office. |

25. Signature 	Name (Printed/Typed) SHEILA UPCHEGO	Date 10/30/2007
Title SENIOR LAND ADMIN SPECIALIST		
Approved by (Signature) 	Name (Printed/Typed) TERRY KENCELA	Date 7-2-2008
Title Assistant Field Manager		
Office Lands & Mineral Resources		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

NOTICE OF APPROVAL

RECEIVED

JUL 16 2008

DIV. OF OIL, GAS & MINING

UDOGM

NOS 6/27/07

07PP232BA



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Kerr-McGee Oil & Gas Onshore, LP
Well No: Bitter Creek 1122-10E
API No: 43-047-39764

Location: SWNW, Sec. 10, T11S, R22E
Lease No: UTU-25880
Agreement: N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	(435) 828-3546
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	(435) 828-4029
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545

Fax: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

***SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.
- Adhere to Executive Order 5327 of April 15, 1930, stipulations for lands in oil shale withdrawal.
- All applicable local, state, and/or federal laws, regulations, and/or statutes will be complied with.
- All traffic related to this action will be restricted to approved routes. Cross-country vehicle travel will not be allowed.
- No vehicle travel, construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support vehicles and/or construction equipment. If such equipment creates ruts in excess of four inches deep, the soil shall be deemed too wet to adequately support construction equipment.
- The access roads will be crowned and ditched. Flat-bladed roads are not allowed.
- If additional erosion occurs during the life of this project, more culverts, low water crossings, berms, wing ditches or etc. will be needed to control the erosion.
- All secondary drainages shall be rerouted around the location, as needed.
- Low-water crossings will be appropriately constructed to avoid sedimentation of drainage ways and other water resources.
- Pipelines will be buried at all major drainage crossings.
- Prevent fill and stock piles from entering drainages.
- The reserve pit will be lined with a 16 ml or greater liner and doubled felted prior to spudding.
- The liner is to be cut 5 feet below ground surface or at the level of the cuttings, whichever is deeper, and the excess liner material is to be disposed of at an authorized disposal site.
- When the reserve pit contains fluids or toxic substances, the operator must ensure animals do not ingest or become entrapped in pit fluids.
- If paleontologic or cultural materials are uncovered during construction, the operator shall immediately stop work that might further disturb or move such materials and contact the Authorized Officer (AO) within 48 hours. A determination will be made by the AO as to necessary mitigation for the discovered paleontologic/cultural material.

- If Uinta Basin hookless cactus or other special status plants are found, construction will cease and the AO will be notified to determine the appropriate mitigation.
- The interim seed mix for this location shall be:

Galleta grass	Hilaria jamesii	10lbs/acre
Indian rice grass	Oryzopsis hymenoides	10lbs/acre
Needle & Thread grass	Stipa comata	10lbs/acre

All pounds are in pure live seed.

- Rates are set for drill seeding; double the rate if broadcasting.
 - Reseeding may be required if initial seeding is not successful.
- The operator will be responsible for treatment and control of invasive and noxious weeds following the operator submitted PUP plan provided the BLM before this project construction begins.
 - The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit and posted/marked topsoil. When the reserve pit is closed, it shall be contoured and the topsoil spread, and the area shall be seeded in the same manner as the location topsoil to comply with natural topography.
 - Once the location is plugged and abandoned, it shall be contoured to natural topography, topsoil shall be spread, and the entire location shall be seeded with a seed mix recommended by the AO (preferably of native origin). Seed application will follow all guidelines in the interim seed mix bullet statement above. Seeding guidelines will be provided by the BLM to the operator with prescribed seeding recommendations.
 - The authorized officer may prohibit surface disturbing activities during severe winter conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
 - The authorized officer may prohibit surface disturbing activities during wet or muddy conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
 - All well facilities not regulated by OSHA will be painted Carlsbad Canyon.
 - All boulders with a length or diameter greater than 3 feet, that are found showing at the surface, will be stockpiled for use during final reclamation.
 - The habitat will be protected (no or little development) within 2 miles (3.2 km) of active leks.
 - a. All human disturbances will be minimized within sight or 0.3 mile (0.5 km) of active leks during breeding season during early morning or evening when birds are likely to be found on the leks; and
 - b. Avoid constructing above ground powerlines, or other tall structures within 2 miles of seasonal habitat.
 - Well pads will be located out of the line of sight/hearing at the leks by considering topographical or vegetative screening features as well as centralized tank batteries, use of low profile tanks, and pointing exhaust from heater-treater to the north and northeast at proposed locations.

- a. Proper placement of well locations can reduce the impact out of hearing >10 dBA above natural ambient noise.
- Construction, drilling, completion and workover activities will not be allowed within two miles of active leks from March 1 through June 15.
 - Other structures such as fences, poles, utilities, will not be constructed within the two mile buffer of active leks, unless the proposed project is reviewed by BLM and UDWR and a waiver issued for this measure on an approved design.
 - Operational activities (trucks driving to well locations, well, road, pipeline surveys, pipeline maintenance etc.) will be minimized March 1 through June 15 one hour prior to sunrise to three hours after sunrise.
 - No construction, drilling, completion activities will be allowed from May 15-June 20 to help protect pronghorn kidding in the area.
 - Golden eagle nesting a timing restriction from February 1 through July 30 will be applied to the following well locations:
 - Bitter Creek Well 1121 6K Location NESW Section 6, T 11 S R22 E.
 - Bitter Creek Well 1121 6E Location SWNW Section 6, T 11 S R22 E.
 - Bitter Creek Well 1121 6D Location NWNW Section 6, T 11 S R22 E.
 - Notify the Authorized Officer 48 hours prior to surface disturbing activities.

**DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC DOWNHOLE COAs:

- A mist system is approved in lieu of deduster equipment. All other equipment for air/gas drilling shall meet specifications in Onshore Order #2, III. Requirements, E. Special Drilling Operations.
- A formation integrity test shall be performed at the surface casing shoe before drilling more than twenty feet.
- Logging program: Gamma Ray shall be run from TD to surface.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.

- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location ($\frac{1}{4}$ $\frac{1}{4}$, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: KERR-McGEE OIL & GAS ONSHORE, L.P.

Well Name: BITTER CREEK 1122-10E

Api No: 43-047-39764 Lease Type: FEDERAL

Section 10 Township 11S Range 22E County UINTAH

Drilling Contractor PETE MARTIN DRLG RIG # BUCKET

SPUDDED:

Date 09/01/08

Time 7:00 AM

How DRY

Drilling will Commence: _____

Reported by LEW WELDON

Telephone # (435) 828-7035

Date 09/02/08 Signed CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: KERR McGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995
Address: 1368 SOUTH 1200 EAST
city VERNAL
state UT zip 84078 Phone Number: (435) 781-7024

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304737428	BONANZA 1023-5J		NWSE	5	10S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<u>A</u>	99999	<u>17055</u>	9/1/2008			<u>9/22/08</u>	
Comments: MIRU PETE MARTIN BUCKET RIG. <u>WSMVD</u> SPUD WELL LOCATION ON 09/01/2008 AT 10:00 AM.							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304739764	BITTER CREEK 1122-10E		SWNW	10	11S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<u>A</u>	99999	<u>17056</u>	9/1/2008			<u>9/22/08</u>	
Comments: MIRU PETE MARTIN BUCKET RIG. <u>WSMVD</u> SPUD WELL LOCATION ON 09/01/2008 AT 7:00 AM.							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304739765	BITTER CREEK 1122-10F		SEnw	10	11S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<u>A</u>	99999	<u>17057</u>	9/2/2008			<u>9/22/08</u>	
Comments: MIRU PETE MARTIN BUCKET RIG. <u>WSMVD</u> SPUD WELL LOCATION ON 09/02/2008 AT 10:00 AM.							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

SHEILA UPCHEGO

Name (Please Print)

Signature

REGULATORY ANALYST

Title

9/3/2008

Date

RECEIVED

SEP 03 2008

(5/2000)

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

UTU-25880

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

BITTER CREEK 1122-10E

9. API Well No.

4304739764

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SW/NW SEC. 10, T11S, R22E 1801'FNL, 532'FWL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7#
SCHEDULE 10 PIPE. CMT W/28 SX READY MIX.

SPUD WELL LOCATION ON 09/01/2008 AT 7:00 AM

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

SHEILA UPCHEGO

Signature

Title

REGULATORY ANALYST

Date

September 3, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

RECEIVED

SEP 09 2008

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
***Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.***

5. Lease Serial No.
UTU-25880

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
BITTER CREEK 1122-10E

2. Name of Operator
KERR MCGEE OIL & GAS ONSHORE LP

9. API Well No.
4304739764

3a. Address
1368 SOUTH 1200 EAST VERNAL, UTAH 84078

3b. Phone No. (include area code)
435.781.7024

10. Field and Pool or Exploratory Area
UNDESIGNATED

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SW/NW SEC. 10, T11S, R22E 1801'FNL, 532'FWL

11. Country or Parish, State
UINTAH COUNTY, UTAH

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other FINAL DRILLING
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	OPERATIONS
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

FINISHED DRILLING FROM 1850' TO 8260' ON 11/23/2008. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/325 SX PREM LITE II @11.9 PPG 2.44 YIELD. TAILED CMT W/1370 SX 50/50 POZ @14.3 PPG 1.31 YIELD. WASH LINES DROP PLUG AND DISPLACE W/128 BBLs CLAY FIX FINAL CIRC PSI 2600 GOOD RETURNS W/40 BBLs GOOD CMT BACK TO PIT. NIPPLE DOWN BOPE. SET MANUAL SLIPS 140K CUT OFF CSG. CLEAN PITS.

RELEASED PIONEER RIG 38 ON 11/25/2008 AT 12:00 HRS.

RECEIVED

DEC 08 2008

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)
SHEILA UPCHEGO

Title REGULATORY ANALYST

Signature

Date 11/26/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU25880
2. Name of Operator KERR-MCGEE OIL & GAS ONSHORE L		6. If Indian, Allottee or Tribe Name
Contact: SHEILA UPCHEGO Email: sheila.upchego@anadarko.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078	3b. Phone No. (include area code) Ph: 435-781-7024	8. Well Name and No. BITTER CREEK 1122-10E
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 10 T11S R22E SWNW 1801FNL 532FWL		9. API Well No. 43-047-39764
		10. Field and Pool, or Exploratory UNDESIGNATED
		11. County or Parish, and State UINTAH, COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

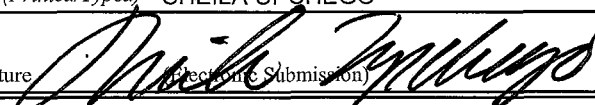
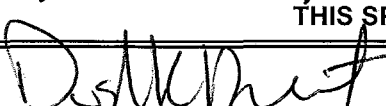
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THE OPERATOR REQUESTS AUTHORIZATION TO RECOMPLETE THE SUBJECT WELL LOCATION. THE OPERATOR PROPOSES TO COMPLETE THE WASATCH AND MESAVERDE FORMATION. THE OPERATOR REQUESTS AUTHORIZATION TO COMMINGLE THE NEWLY WASATCH AND MESAVERDE FORMATION ALONG WITH THE EXISTING MESAVERDE FORMATION.

PLEASE REFER TO THE ATTACHED RECOMPLETION PROCEDURE.

COPY SENT TO OPERATOR

Date: 12.30.2008Initials: KS

14. I hereby certify that the foregoing is true and correct. Electronic Submission #65295 verified by the BLM Well Information System For KERR-MCGEE OIL & GAS ONSHORE L, sent to the Vernal	
Name (Printed/Typed) SHEILA UPCHEGO	Title OPERATIONS
Signature 	Date 12/04/2008
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By 	Title Pet Eng
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Date 12/22/08
Office DOGM	Federal Approval Of This Action Is Necessary

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED

*Case 210-04

DEC 08 2008

DIV. OF OIL, GAS & MINING

Name: Bitter Creek 1122-10E
Location: SWNW-Section 10--T11S-R22E
Uintah County, UT
Date: **December 4, 2008**

ELEVATIONS: 5717' GL 5733' KB

TOTAL DEPTH: 8260' **PBTD:** 8222'
SURFACE CASING: 9 5/8", 32.3# H-40 & 36# J-55 ST&C @ 1835'
PRODUCTION CASING: 4 1/2", 11.6#, I-80 LT&C @ 8241'
Marker Joint 3817-3835'

TUBULAR PROPERTIES:

	BURST (psi)	COLLAPSE (psi)	DRIFT DIA. (in.)	CAPACITIES	
				(bbl/ft)	(gal/ft)
2 3/8" 4.7# J-55 tbg	7,700	8,100	1.901"	0.00387	0.1624
4 1/2" 11.6# I-80 (See above)	7780	6350	3.875"	0.0155	0.6528
2 3/8" by 4 1/2" Annulus				0.0101	0.4227

TOPS:

830' Green River
1004' Birds Nest
1576' Mahogany
3866' Wasatch
6100' Mesa Verde

Estimated T.O.C. from CBL@ (not ran yet)

GENERAL:

- A minimum of **25** tanks (cleaned lined 500 bbl) of recycled water will be required. Note: Use biocide in tanks and the water needs to be at least 45°F at pump time.
- All perforation depths are from Halliburton's Induction-Density-Neutron log dated 11/24/08.
- **5** fracturing stages required for coverage.
- Procedure calls for 5 CBP's (**8000** psi).
- Calculate open perforations after each breakdown. If less than 60% of the perforations appear to be open, ball out with 15% HCl.
- Put scale inhibitor 3 gals/1000 gals (in pad and 1/2 the ramp) and 10 gals/1000 gals in all flushes except the final stage. Remember to pre-load the casing with scale inhibitor for the very first stage with 10 gpt.
- 30/50 mesh Ottawa sand, **Slickwater frac.**
- Maximum surface pressure **6200** psi.
- Flush volumes are the sum of slick water and acid used during displacement (include scale inhibitor as mentioned above). **DO NOT OVERDISPLACE.** Stage acid and scale inhibitor if necessary to cover the next perforated interval.

- Service companies need to provide surface/production annulus pop-offs to be set for 1500 psi for each frac.
- Pump 20/40 mesh **resin coated sand** last 5,000# of all frac stages

PROCEDURE:

1. MIRU. NU and test BOP. RIH 3 7/8" mill and clean out to PBTD @ ~ 8222' if possible, or to 8222' at a minimum. Circulate hole clean with recycled water. POOH. Run CBL (if needed). Pressure test BOP and casing to **6200** psi.
2. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
MESAVERDE	8180	8184	4	16
MESAVERDE	8198	8204	4	24
3. Breakdown perfs and establish injection rate (include scale inhibitor in fluid). Spot 250 gals of 15% HCL and let soak 5-10 min. Fracture as outlined in Stage 1 on attached listing. Under-displace to ~8130' and trickle 250gal 15%HCL w/ scale inhibitor in flush.
4. Set 8000 psi CBP at ~7793'. Perf the following 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
MESAVERDE	7667	7672	4	20
MESAVERDE	7758	7763	4	20
5. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 2 on attached listing. Under-displace to ~7646' and trickle 250gal 15%HCL w/ scale inhibitor in flush. Note: Stage has tight spacing.
6. Set 8000 psi CBP at ~7636'. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
MESAVERDE	7505	7510	3	15
MESAVERDE	7554	7556	3	6
MESAVERDE	7574	7576	3	6
MESAVERDE	7602	7606	4	16
7. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 3 on attached listing. Under-displace to ~7455' and trickle 250gal 15%HCL w/ scale inhibitor in flush. Note: Stage has tight spacing.
8. Set 8000 psi CBP at ~7445'. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
MESAVERDE	7396	7401	4	20
MESAVERDE	7410	7415	4	20
9. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 4 on attached listing. Under-displace to ~7346' and trickle 250gal 15%HCL w/ scale inhibitor in flush.
10. Set 8000 psi CBP at ~6004'. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
WASATCH	5904	5908	4	16

11. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 5 on attached listing. Under-displace to ~5854' and flush only with recycled water.
12. Set 8000 psi CBP at ~5854'.
13. TIH with 3 7/8" bit, pump off sub, SN and tubing.
14. Drill plugs and clean out to PBTD. Shear off bit and land tubing at $\pm 7637'$ unless indicated otherwise by the well's behavior.
15. RDMO.

For design questions, please call
David Cocciolone, Denver, CO
(832)-453-2043 (Cell)
(720)-929-6716 (Office)

For field implementation questions, please call
Robert Miller, Vernal, UT
4350781 7041 (Office)

Completion Engineer _____
David Cocciolone

Approving Manager _____
Rebecca Johnson

NOTES:

Commingle W/MW well. Expected IP of 1.5 MMCFD.

Fair amounts of water based off log - took conservative approach to avoid.

Bitter Creek 1122-10E
Perforation and CBP Summary

Stage	Zones	Perforations		SPF	Holes	Fracture Coverage		
		Top, ft	Bottom, ft					
1	MESAVERDE	8180	8184	4	18	8094	to	8108
	MESAVERDE	8198	8204	4	24	8109	to	8111
	MESAVERDE		No Perfs			8117	to	8119
	MESAVERDE		No Perfs			8122	to	8123
	MESAVERDE		No Perfs			8128	to	8132
	MESAVERDE		No Perfs			8135	to	8135
	MESAVERDE		No Perfs			8137	to	8137
	MESAVERDE		No Perfs			8153	to	8156
	MESAVERDE		No Perfs			8176	to	8178
	MESAVERDE		No Perfs			8180	to	8187
	MESAVERDE		No Perfs			8191	to	8192
	MESAVERDE		No Perfs			8195	to	8207
	MESAVERDE		No Perfs			8209	to	8212
	MESAVERDE		No Perfs			8230	to	8230
	# of Perfs/stage				40	CBP DEPTH	7,793	
2	MESAVERDE	7667	7672	4	20	7647	to	7663
	MESAVERDE	7758	7763	4	20	7685	to	7671
	MESAVERDE		No Perfs			7685	to	7686
	MESAVERDE		No Perfs			7688	to	7689
	MESAVERDE		No Perfs			7695	to	7695
	MESAVERDE		No Perfs			7697	to	7698
	MESAVERDE		No Perfs			7699	to	7702
	MESAVERDE		No Perfs			7703	to	7703
	MESAVERDE		No Perfs			7705	to	7708
	MESAVERDE		No Perfs			7710	to	7710
	MESAVERDE		No Perfs			7718	to	7719
	MESAVERDE		No Perfs			7722	to	7729
	MESAVERDE		No Perfs			7731	to	7731
	MESAVERDE		No Perfs			7732	to	7733
	MESAVERDE		No Perfs			7741	to	7768
	MESAVERDE		No Perfs			7789	to	7791
	MESAVERDE		No Perfs			7793	to	7802
	MESAVERDE		No Perfs			7805	to	7812
	MESAVERDE		No Perfs			7814	to	7814
	MESAVERDE		No Perfs			7816	to	7820
	MESAVERDE		No Perfs			7824	to	7827
	MESAVERDE		No Perfs			7828	to	7830
	MESAVERDE		No Perfs			7831	to	7834
	MESAVERDE		No Perfs			7836	to	7840
	MESAVERDE		No Perfs			7846	to	7852
	# of Perfs/stage				40	CBP DEPTH	7,636	
3	MESAVERDE	7505	7510	3	15	7483	to	7464
	MESAVERDE	7554	7556	3	6	7471	to	7473
	MESAVERDE	7574	7576	3	6	7475	to	7476
	MESAVERDE	7602	7606	4	16	7477	to	7479
	MESAVERDE		No Perfs			7484	to	7486
	MESAVERDE		No Perfs			7487	to	7489
	MESAVERDE		No Perfs			7492	to	7492
	MESAVERDE		No Perfs			7496	to	7497
	MESAVERDE		No Perfs			7500	to	7513
	MESAVERDE		No Perfs			7521	to	7522
	MESAVERDE		No Perfs			7523	to	7528
	MESAVERDE		No Perfs			7531	to	7534
	MESAVERDE		No Perfs			7535	to	7539
	MESAVERDE		No Perfs			7537	to	7563
	MESAVERDE		No Perfs			7566	to	7567
	MESAVERDE		No Perfs			7569	to	7585
	MESAVERDE		No Perfs			7586	to	7595
	MESAVERDE		No Perfs			7596	to	7612
	MESAVERDE		No Perfs			7616	to	7617
	MESAVERDE		No Perfs			7620	to	7623
	MESAVERDE		No Perfs			7629	to	7630
	MESAVERDE		No Perfs			7633	to	7634
	MESAVERDE		No Perfs			7636	to	7637
	# of Perfs/stage				43	CBP DEPTH	7,445	
4	MESAVERDE	7396	7401	4	20	7345	to	7345
	MESAVERDE	7410	7415	4	20	7367	to	7368
	MESAVERDE		No Perfs			7370	to	7370
	MESAVERDE		No Perfs			7376	to	7380
	MESAVERDE		No Perfs			7382	to	7383
	MESAVERDE		No Perfs			7389	to	7389
	MESAVERDE		No Perfs			7394	to	7416
	MESAVERDE		No Perfs			7427	to	7427
	MESAVERDE		No Perfs			7438	to	7438
	# of Perfs/stage				40	CBP DEPTH	6,004	
5	WASATCH	5904	5908	4	16	5843	to	5857
	WASATCH	5966	5974	3	24	5862	to	5862
	WASATCH		No Perfs			5866	to	5867
	WASATCH		No Perfs			5873	to	5873
	WASATCH		No Perfs			5877	to	5878
	WASATCH		No Perfs			5881	to	5881
	WASATCH		No Perfs			5891	to	5893
	WASATCH		No Perfs			5894	to	5894
	WASATCH		No Perfs			5895	to	5904
	WASATCH		No Perfs			5905	to	5908
	WASATCH		No Perfs			5910	to	5912
	WASATCH		No Perfs			5918	to	5920
	WASATCH		No Perfs			5922	to	5922
	WASATCH		No Perfs			5923	to	5924
	WASATCH		No Perfs			5929	to	5929
	WASATCH		No Perfs			5932	to	5932
	WASATCH		No Perfs			5936	to	5938
	WASATCH		No Perfs			5942	to	5943
	WASATCH		No Perfs			5946	to	5946
	WASATCH		No Perfs			5952	to	5977
	WASATCH		No Perfs			5982	to	5983
	WASATCH		No Perfs			5985	to	5986
	WASATCH		No Perfs			5992	to	6012
	# of Perfs/stage				40	CBP DEPTH	5,854	
Totals					203			

Fracturing Schedules
Bitter Creek 1122-10E
Slickwater Frac

Stage	Zone	Foot of Pay	Perfs Top, ft. Bot. ft.	SPF	Holes	Rate BPM	Fluid Type	Initial ppg	Final ppg	Fluid	Volume BBLs	Cum Vol BBLs	Fluid % of frac	Sand % of frac	Sand lbs	Cum. Sand lbs	Footage from CBP to Flush	Scale Inhib., gal.
1	MESAVERDE	12	8180 8184	4	16	Varied	Pump-in test			Slickwater	0	0						
	MESAVERDE	2	8198 8204	4	24	0	ISIP and 5 min ISIP			Slickwater	129	129	15.0%	0.0%	0	0		51
	MESAVERDE	1	No Perfs			40	Slickwater Pad	0.25	1	Slickwater	243	371	28.3%	17.2%	6,375	6,375		15
	MESAVERDE	4	No Perfs			40	SW Sweep	0	0	Slickwater	0	371		0.0%	0	6,375		0
	MESAVERDE	0	No Perfs			40	Slickwater Ramp	1	1.5	Slickwater	243	614	28.3%	34.5%	12,750	19,125		15
	MESAVERDE	0	No Perfs			40	SW Sweep	0	0	Slickwater	0	614		0.0%	0	19,125		0
	MESAVERDE	3	No Perfs			40	Slickwater Ramp	0.5	1.5	Slickwater	0	614		0.0%	0	19,125		0
	MESAVERDE	2	No Perfs			40	Slickwater Ramp	1.5	2	Slickwater	243	857	28.3%	48.3%	17,850	36,975		0
	MESAVERDE	7	No Perfs			40	Flush (4-1/2")				128	984				36,975		51
	MESAVERDE	1	No Perfs				ISDP and 5 min ISDP											148
	MESAVERDE	12	No Perfs															
	MESAVERDE	3	No Perfs															
	MESAVERDE	0	No Perfs															
		48	# of Perfs/stage		40	24.6	<< Above pump time (min)											
							Flush depth						8130	gal/ft	750	770	lbs sand/ft	
							CBP depth								7,793		337	
2	MESAVERDE	16	7667 7672	4	20	Varied	Pump-in test			Slickwater	0	0						
	MESAVERDE	6	7758 7763	4	20	0	ISIP and 5 min ISIP			Slickwater	344	344	15.0%	0.0%	0	0		43
	MESAVERDE	1	No Perfs			50	Slickwater Pad	0.25	1	Slickwater	650	994	28.3%	16.7%	17,053	17,053		41
	MESAVERDE	0	No Perfs			50	SW Sweep	0	0	Slickwater	0	994		0.0%	0	17,053		0
	MESAVERDE	1	No Perfs			50	Slickwater Ramp	1	1.5	Slickwater	650	1,643	28.3%	33.6%	34,106	51,159		41
	MESAVERDE	3	No Perfs			50	SW Sweep	0	0	Slickwater	125	1,768		0.0%	0	51,159		0
	MESAVERDE	0	No Perfs			50	Slickwater Ramp	0.5	1.5	Slickwater	71	1,840		2.9%	3,000	54,159		0
	MESAVERDE	3	No Perfs			50	Slickwater Ramp	1.5	2	Slickwater	650	2,418	28.3%	46.9%	47,749	101,908		0
	MESAVERDE	0	No Perfs			50	Flush (4-1/2")				119	2,537				101,908		50
	MESAVERDE	1	No Perfs				ISDP and 5 min ISDP											175
	MESAVERDE	7	No Perfs															
	MESAVERDE	0	No Perfs															
	MESAVERDE	1	No Perfs															
	MESAVERDE	27	No Perfs															
	MESAVERDE	2	No Perfs															
	MESAVERDE	9	No Perfs															
	MESAVERDE	7	No Perfs															
	MESAVERDE	0	No Perfs															
	MESAVERDE	4	No Perfs															
	MESAVERDE	3	No Perfs															
	MESAVERDE	2	No Perfs															
	MESAVERDE	3	No Perfs															
	MESAVERDE	4	No Perfs															
		107	# of Perfs/stage		40	48.4	<< Above pump time (min)											
							Flush depth						7646	gal/ft	900	952	lbs sand/ft	
							CBP depth								7,636		10	
3	MESAVERDE	1	7505 7510	3	15	Varied	Pump-in test			Slickwater	0	0						
	MESAVERDE	2	7554 7558	3	6	0	ISIP and 5 min ISIP			Slickwater	681	681	15.0%	0.0%	0	0		86
	MESAVERDE	1	7574 7576	3	6	50	Slickwater Pad	0.25	1	Slickwater	1,287	1,968	28.3%	17.0%	33,779	33,779		81
	MESAVERDE	2	7602 7606	4	16	50	Slickwater Ramp	0	0	Slickwater	125	2,093		0.0%	0	33,779		8
	MESAVERDE	2	No Perfs			50	SW Sweep	0	0	Slickwater	1,287	3,380	28.3%	34.0%	67,557	101,336		81
	MESAVERDE	0	No Perfs			50	Slickwater Ramp	1	1.5	Slickwater	250	3,630		0.0%	0	101,336		0
	MESAVERDE	2	No Perfs			50	SW Sweep	0	0	Slickwater	71	3,701		1.5%	3,000	104,336		0
	MESAVERDE	13	No Perfs			50	Slickwater Ramp	0.5	1.5	Slickwater	1,287	4,917	28.3%	47.5%	94,580	198,916		48
	MESAVERDE	1	No Perfs			50	Flush (4-1/2")				116	5,033				198,916		304
	MESAVERDE	5	No Perfs				ISDP and 5 min ISDP											
	MESAVERDE	3	No Perfs															
	MESAVERDE	1	No Perfs															
	MESAVERDE	26	No Perfs															
	MESAVERDE	1	No Perfs															
	MESAVERDE	16	No Perfs															
	MESAVERDE	9	No Perfs															
	MESAVERDE	16	No Perfs															
	MESAVERDE	1	No Perfs															
	MESAVERDE	3	No Perfs															
	MESAVERDE	1	No Perfs															
	MESAVERDE	1	No Perfs															
		189	# of Perfs/stage		43	80.3	<< Above pump time (min)											
							Flush depth						7465	gal/ft	1,750	1,925	lbs sand/ft	
							CBP depth								7,445		10	
4	MESAVERDE	0	7396 7401	4	20	Varied	Pump-in test			Slickwater	0	0						
	MESAVERDE	1	7410 7415	4	20	0	ISIP and 5 min ISIP			Slickwater	140	140	15.0%	0.0%	0	0		18
	MESAVERDE	4	No Perfs			40	Slickwater Pad	0.25	1	Slickwater	264	404	28.3%	17.2%	8,942	8,942		17
	MESAVERDE	1	No Perfs			40	SW Sweep	0	0	Slickwater	0	404		0.0%	0	8,942		0
	MESAVERDE	0	No Perfs			40	Slickwater Ramp	1	1.5	Slickwater	264	669	28.3%	34.5%	13,883	20,825		17
	MESAVERDE	22	No Perfs			40	SW Sweep	0	0	Slickwater	0	669		0.0%	0	20,825		0
	MESAVERDE	0	No Perfs			40	Slickwater Ramp	0.5	1.5	Slickwater	0	669		0.0%	0	20,825		0
	MESAVERDE	0	No Perfs			40	Slickwater Ramp	1.5	2	Slickwater	264	933	28.3%	48.3%	19,437	40,262		0
	MESAVERDE	0	No Perfs			40	Flush (4-1/2")				114	1,049				40,262		50
							ISDP and 5 min ISDP											
		28	# of Perfs/stage		40	23.3	<< Above pump time (min)											
							Flush depth						7346	gal/ft	1,400	1,438	lbs sand/ft	
							CBP depth								6,004		1,342	
5	WASATCH	14	5904 5908	4	16	Varied	Pump-in test			Slickwater	0	0						
	WASATCH	0	5966 5974	3	24	0	ISIP and 5 min ISIP			Slickwater	180	180	15.0%	0.0%	0	0		23
	WASATCH	1	No Perfs			40	Slickwater Pad	0.25	1	Slickwater	340	520	28.3%	17.2%	8,925	8,925		21
	WASATCH	0	No Perfs			40	SW Sweep	0	0	Slickwater	0	520		0.0%	0	8,925		0
	WASATCH	0	No Perfs			40	Slickwater Ramp	1	1.5	Slickwater	340	860	28.3%	34.5%	17,850	26,775		21
	WASATCH	2	No Perfs			40	SW Sweep	0	0	Slickwater	0	860		0.0%	0	26,775		0
	WASATCH	0	No Perfs			40	Slickwater Ramp	0.5	1.5	Slickwater	0	860		0.0%	0	26,775		0
	WASATCH	5	No Perfs			40	Slickwater Ramp	1.5	2	Slickwater	340	1,200	28.3%	48.3%	24,990	51,765		0
	WASATCH	3	No Perfs			40	Flush (4-1/2")				91	1,291				51,765		66
	WASATCH	1	No Perfs				ISDP and 5 min ISDP											
	WASATCH	0	No Perfs															
	WASATCH	1	No Perfs															
	WASATCH	0	No Perfs															
	WASATCH	2	No Perfs															
	WASATCH	1	No Perfs															
	WASATCH	0	No Perfs															
	WASATCH	25	No Perfs															
	WASATCH	1	No Perfs															
	WASATCH	1	No Perfs															
		84	# of Perfs/stage		40	30.0	<< Above pump time (min)											
							Flush depth						5854	gal/ft	600	616	lbs sand/ft	
							CBP depth								5,864		0	LOOK
Totals		376			203						gals bbls	10,991 bbls			Total Sand	429,826		783
						3.7						24.2 tanks				Total Scale Inhib. -		783

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.
UTU25880

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other8. Well Name and No.
BITTER CREEK 1122-10E

2. Name of Operator

KERR-MCGEE OIL & GAS ONSHORE

Contact: SHEILA UPCHEGO

Email: sheila.upchego@anadarko.com

9. API Well No.
43-047-39764

3a. Address

1368 SOUTH 1200 EAST
VERNAL, UT 84078

3b. Phone No. (include area code)

Ph: 435-781-7024

10. Field and Pool, or Exploratory
UNDESIGNATED

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 10 T11S R22E SWNW 1801FNL 532FWL

11. County or Parish, and State

UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Production Start-up
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THE SUBJECT WELL WAS PLACED ON PRODUCTION ON 12/17/2008 AT 1200 HRS.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #65986 verified by the BLM Well Information System
For KERR-MCGEE OIL & GAS ONSHORE L, sent to the Vernal

Name (Printed/Typed) SHEILA UPCHEGO

Title OPERATIONS

Signature

Date 01/02/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

JAN 05 2009

DIV. OF OIL, GAS & MINING

Wins No.: 95775

BITTER CREEK 1122-10E

Well Operations Summary Long

Operator KERR MCGEE OIL & GAS ONSHORE LP	FIELD NAME NATURAL BUTTES	SPUD DATE 09/08/2008	GL 5,717	KB 5733	ROUTE V44
API 4304739764	STATE UTAH	COUNTY UINTAH	DIVISION ROCKIES		
Long/Lat.: 39.87734 / -109.44800		Q-Q/Sec/Town/Range: SWNW / 10 / 11S / 22E		Footages: 1,801.00' FNL 532.00' FWL	

Wellbore: BITTER CREEK 1122-10E

MTD 8,260	TVD 8,258	PBMD 8,222	PBTV
EVENT INFORMATION:		EVENT ACTIVITY: DRILLING	START DATE: 9/8/2008
		OBJECTIVE: DEVELOPMENT	END DATE: 11/25/2008
		OBJECTIVE 2: VERTICAL WELL	DATE WELL STARTED PROD.: ..
		REASON:	Event End Status: COMPLETE

RIG OPERATIONS:	Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release	Rig Off Location
PIONEER 38 / 38	11/04/2008	11/04/2008	11/04/2008	11/09/2008	11/23/2008	11/25/2008	11/26/2008

Date	Time Start-End	Duration (hr)	Phase	Code	Subco de.	P/U	Operation	MD:
9/8/2008	SUPERVISOR: LEW WELDON							946
	10:00 - 0:00	14.00	DRLPRO	02		P	MOVE IN AND RIG UP AIR RIG SPUD WELL @ 1000 HR 9/8/08 DA AT REPORT TIME 930'	
9/9/2008	SUPERVISOR: LEW WELDON							1,866
	0:00 - 12:00	12.00	DRLSUR	02		P	RIG DRILLING AHEAD NO WATER 1510'	
	12:00 - 0:00	12.00	DRLSUR	02		P	RIG T/D @ 1850' CONDITION HOLE @ REPORT TIME	
9/10/2008	SUPERVISOR: LEW WELDON							1,866
	0:00 - 3:00	3.00	DRLSUR	05		P	TRIP DP OUT OF HOLE	
	3:00 - 6:00	3.00	DRLSUR	11		P	RUN 1818' OF 9 5/8 CSG AND 200' OF 1" PIPE RIG DOWN AIR RIG	
	6:00 - 7:30	1.50	DRLSUR	15		P	CEMENT 1ST STAGE WITH 150 SKS LEAD @ 11# 3.82 23 GAL/SK AND 200 SKS TAIL @ 15.8# 1.15 5.0 GAL/SK GOOD RETURNS THRUOUT JOB + - 20 BBL LEAD CMT TO PIT	
	7:30 - 8:00	0.50	DRLSUR	15		P	1ST TOP JOB 125 SKS DOWN 1" PIPE GOOD CMT TO SURFACE AND FELL BACK WOC	
	8:00 - 10:00	2.00	DRLSUR	15		P	2ND TOP JOB 100 SKS DOWN BS GOOD CMT TO SURFACE AND STAYED AT SURFACE	
	10:00 - 10:00	0.00	DRLSUR				NO VISIBLE LEAKS PIT HAD 3 FEET IN IT WORT	
11/3/2008	SUPERVISOR: BRAD PEDERSEN							1,866
	22:00 - 0:00	2.00	MIRU	01	E	P	RDRT,PREP F/ MOVE W/ JONES	
11/4/2008	SUPERVISOR: KENNY MORRIS							1,866
	0:00 - 7:00	7.00	RDMO	01	E	P	RDRT	
	7:00 - 18:00	11.00	MIRU	01	A	P	MOVE W/RW JONES,7 TRUCKS,2-FORKLIFTS	
	18:00 - 0:00	6.00	MIRU	01	B	P	RURT W/5 MAN CREW	
11/5/2008	SUPERVISOR: KENNY MORRIS							1,866
	0:00 - 20:00	20.00	MIRU	01	B	P	RURT	

Wins No.: 95775		BITTER CREEK 1122-10E						API No.: 4304739764	
	0:00 - 20:00	20.00	MIRU	01	B	P	RURT		
	20:00 - 0:00	4.00	MIRU	07	A	S	REPAIR ROTARY TABLE		
11/6/2008	SUPERVISOR: KENNY MORRIS							MD: 1,866	
	0:00 - 0:00	24.00	MIRU	07	B	S	WAIT ON ROTARY TABLE/FOR REPLACEMENT		
11/7/2008	SUPERVISOR: KENNY MORRIS							MD: 1,866	
	0:00 - 0:00	24.00	MIRU	07	B	S	ROTARY ARRIVED 1500,INSTALL SAME,DRIVE REPAIR		
11/8/2008	SUPERVISOR: KENNY MORRIS							MD: 1,866	
	0:00 - 12:30	12.50	MIRU	07	B	S	WELD IN TABLE,MACHINE DRIVE HUB		
	12:30 - 13:30	1.00	PRPSPD	06	D	P	CUT & SLIP DRLG LINE		
	13:30 - 15:30	2.00	PRPSPD	13	A	P	NUBOP,FUNCTION TEST		
	15:30 - 21:00	5.50	PRPSPD	13	C	P	TEST BOP,CHOKE & RAMS 5K,ANN 2.5K,CSG1.5K		
	21:00 - 0:00	3.00	PRPSPD	05	A	P	INSTALL WEARRING,SAFETY MT,R/U,P/U BHA		
11/9/2008	SUPERVISOR: KENNY MORRIS							MD: 2,965	
	0:00 - 3:00	3.00	PRPSPD	05	A	P	P/U BHA,RD TESCO,INSTALLRUBBER & DRIVE BUSHING,CENTER BOP STACK		
	3:00 - 6:30	3.50	PRPSPD	02	F	P	DRILL CEMENT & FE,1727' TO 1866'		
	6:30 - 7:00	0.50	DRLPRO	02	B	P	DRILL NEW 7.875 F/1866 TO 1919,		
	7:00 - 7:30	0.50	DRLPRO	09	A	P	SURVEY @1850=1.25		
	7:30 - 8:00	0.50	DRLPRO	06	A	P	RIG SERVICE		
	8:00 - 15:00	7.00	DRLPRO	02	B	P	DRILL F/1919 TO 2455,AVG 77,WT 9.0 35		
	15:00 - 15:30	0.50	DRLPRO	09	A	P	SURVEY@2385=1		
	15:30 - 0:00	8.50	DRLPRO	02	B	P	DRILL F/2455 TO 2965,AVG 61 WT 9.3/34		
11/10/2008	SUPERVISOR: KENNY MORRIS							MD: 4,903	
	0:00 - 7:00	7.00	DRLPRO	02	B	P	DRILL F/2965 TO 3473,AVG 73 WT 9.4/42		
	7:00 - 7:30	0.50	DRLPRO	09	A	P	SURVEY@3403=1.5		
	7:30 - 8:00	0.50	DRLPRO	06	A	P	RIG SERVICE		
	8:00 - 19:30	11.50	DRLPRO	02	B	P	DRILLF/3473 TO 4520,AVG 91 WT 9.5/44		
	19:30 - 20:00	0.50	DRLPRO	09	A	P	SURVEY@4450=1.25		
	20:00 - 0:00	4.00	DRLPRO	02	B	P	DRILL F/4520 TO 4903,AVG 96 WT 10.1/44		
11/11/2008	SUPERVISOR: KENNY MORRIS							MD: 6,250	
	0:00 - 7:30	7.50	DRLPRO	02	B	P	DRILL F/4903 TO 5440,AVG 72 WT 10.2/44		
	7:30 - 8:00	0.50	DRLPRO	09	A	P	SURVEY@5370=1.75		
	8:00 - 15:00	7.00	DRLPRO	02	B	P	DRILL F/5440 TO 5760,AVG 46 WT 10.4/48		

Wins No.: 95775		BITTER CREEK 1122-10E						API No.: 4304739764
	8:00 - 15:00	7.00	DRLPRO	02	B	P	DRILL F/5440 TO 5760,AVG 46 WT 10.4/48	
	15:00 - 15:30	0.50	DRLPRO	06	A	P	RIG SERVICE	
	15:30 - 0:00	8.50	DRLPRO	02	B	P	DRILL F.5760 TO 6250,AVG 58 WT 10.7/48	
11/12/2008	<u>SUPERVISOR:</u> KENNY MORRIS							<u>MD:</u> 7,406
	0:00 - 16:00	16.00	DRLPRO	02	B	P	DRILL F/6250 TO 7089,AVG 52 WT 10.9/50	
	16:00 - 16:30	0.50	DRLPRO	06	A	P	RIG SERVICE	
	16:30 - 0:00	7.50	DRLPRO	02	B	P	DRILL F/7089 TO 7406,AVG 42 WT 11.3/50	
11/13/2008	<u>SUPERVISOR:</u> KENNY MORRIS							<u>MD:</u> 7,630
	0:00 - 8:30	8.50	DRLPRO	02	B	P	DRILL F/7406' TO 7630,AVG 26 WT 11.3/50	
	8:30 - 18:00	9.50	DRLPRO	05	A	P	DROP SURVEY,PUMPPILL,POOH,L/D IBS,MOTOR,JARS,BIT#1,TIGHT SPOTS GREEN RIVER=3 HRS,ALSO 5500-5400',SURVEY=	
	18:00 - 20:00	2.00	DRLPRO	05	A	P	P/U BIT #2,TIH TO 1070,DERRICK TWISTED	
	20:00 - 0:00	4.00	DRLPRO	07	A	Z	WAIT ON PIONEER & SAFETY SUPERVISORS FOR ASSESMENT AND PLAN,DERRICK TWISTED &,PIPE IN BOARD SHIFTED WHEN EYE TO GUIDE WIRE TO BOARD SNAPPED@SUB ANCHOR POINT	
11/14/2008	<u>SUPERVISOR:</u> KENNY MORRIS							<u>MD:</u> 7,630
	0:00 - 0:00	24.00	DRLPRO	07	A	Z	MOVE FRT YARD,HOUSES,TUBS,TANKS	
11/15/2008	<u>SUPERVISOR:</u> KENNY MORRIS							<u>MD:</u> 7,630
	0:00 - 0:00	24.00	DRLPRO	07	A	X	DERRICK REPAIR	
11/16/2008	<u>SUPERVISOR:</u> KENNY MORRIS							<u>MD:</u> 7,630
	0:00 - 7:00	7.00	MAINT	07	A	Z	SDFN	
	7:00 - 0:00	17.00	MAINT	07	A	Z	LDDP,HEAT BOARD,BREAK STNDS APART	
11/17/2008	<u>SUPERVISOR:</u> KENNY MORRIS							<u>MD:</u> 7,630
	0:00 - 0:00	24.00	MAINT	07	A	Z	L/D STANDS F/DERRICK,WAIT ON ORDERS	
11/18/2008	<u>SUPERVISOR:</u> KENNY MORRIS							<u>MD:</u> 7,630
	0:00 - 0:00	24.00	MAINT	07	A	Z	REMOVE BOARD,BUFFWELDS,	
11/19/2008	<u>SUPERVISOR:</u> KENNY MORRIS							<u>MD:</u> 7,630
	0:00 - 0:00	24.00	MAINT	07	A	Z	REPAIR BOARD	
11/20/2008	<u>SUPERVISOR:</u> KENNY MORRIS							<u>MD:</u> 7,630
	0:00 - 20:00	20.00	MAINT	07	A	Z	REPAIRED BOARD BACK ON LOC @10:00AM,NEW CABLES@13:00,STARTED TO HANG BOARD@14:00,,,R/U BOARD,SCOPE UP	
	20:00 - 21:00	1.00	DRLPRO	04	C	P	OPEN RAMS&ANNULAR,EST CIRC,SAFETY MEET W/TESCO R/U MACHINE F/ PIPE P/U	
	21:00 - 0:00	3.00	DRLPRO	05	A	P	P/U PIPE,,STAGE IN 'CIRC @3K' & 5K',LOST 100 BBLS @ 5000',W/ 1" SHALE OVER SHAKER	
11/21/2008	<u>SUPERVISOR:</u> KENNY MORRIS							<u>MD:</u> 7,630

Wins No.: 95775		BITTER CREEK 1122-10E						API No.: 4304739764	
	0:00 - 0:30	0.50	DRLPRO	04	G	X	CIRC & CONDITION,STAGE IN HOLE		
	0:30 - 2:30	2.00	DRLPRO	05	F	X	P/U PIPE TO 5000'		
	2:30 - 5:00	2.50	DRLPRO	04	G	X	CIRC F/SLOUGHING SHALE		
	5:00 - 8:00	3.00	DRLPRO	03	E	X	WASH & REAM F/5000-5350'		
	8:00 - 10:30	2.50	MAINT	07	A	Z	REPLACE DRAWTOOL CHAIN		
	10:30 - 11:00	0.50	MAINT	06	A	P	CHECK EQUIPMENT,RIG SERVICE		
	11:00 - 0:00	13.00	DRLPRO	03	E	X	W & R FROM 5350 TO 6260,RAISE WT 11.7/50		
11/22/2008	<u>SUPERVISOR:</u> KENNY MORRIS						<u>MD:</u> 8,075		
	0:00 - 11:00	11.00	DRLPRO	03	E	P	REAM F/6260 TO 7630		
	11:00 - 16:00	5.00	DRLPRO	02	B	P	DRILL F/7630 TO 7789',AVG 23 WT 11.8/48		
	16:00 - 16:30	0.50	DRLPRO	06	A	P	RIG SERVICE		
	16:30 - 0:00	7.50	DRLPRO	02	B	P	DRILL F/7789 TO 8075,AVG 38 WT 11.8/48		
11/23/2008	<u>SUPERVISOR:</u> KENNY MORRIS						<u>MD:</u> 8,260		
	0:00 - 5:00	5.00	DRLPRO	02	A	P	DRILL F/8075' TO 8260,AVG 37,,WT11.8/48		
	5:00 - 7:00	2.00	DRLPRO	04	C	P	CIRC & CONDITION HOLE F/LONG SHORTTRIP		
	7:00 - 13:30	6.50	DRLPRO	05	E	P	SHORTTRIP BACK TO SHOE,TIGHT@7750-7500,2700-2250		
	13:30 - 18:00	4.50	DRLPRO	05	E	P	TIH ,BREAK CIRC@1800,5000'		
	18:00 - 19:00	1.00	DRLPRO	03	A	P	REAM F/7550' TO 7760'		
	19:00 - 19:30	0.50	DRLPRO	05	E	P	TIH TO BOTTOM NO FILL		
	19:30 - 22:00	2.50	DRLPRO	04	C	P	CIRC & CONDITION TO LDDP F/LOGS		
	22:00 - 0:00	2.00	DRLPRO	05	B	P	LDDP		
11/24/2008	<u>SUPERVISOR:</u> KENNY MORRIS						<u>MD:</u> 8,260		
	0:00 - 6:00	6.00	EVALPR	05	B	P	LDDP,BHA,PULL WEARING		
	6:00 - 11:00	5.00	EVALPR	08	F	P	SAFETY MEET W/HALLIBURTON,TRIPLE COMBO TO LOGGERS DEPTH(8265)		
	11:00 - 19:00	8.00	CSG	11	B	P	SAFETY W/TESCO,RU RUN 8242' 4.5 CSG,195 JTS&MARKER		
	19:00 - 21:00	2.00	CSG	04	E	P	CIRCULATE & CONDITION F/CEMENT		
	21:00 - 0:00	3.00	CSG	15	A	P	PUMP 325 SX LEAD,1370SX TAIL,DISPLACE 128 BBLs,CLAYFIX,FINAL CIRC PSI 2600,GOOD RETURNS,W/40 BBLs GOOD CEMENT BACK TOPIT		
11/25/2008	<u>SUPERVISOR:</u> KENNY MORRIS						<u>MD:</u> 8,260		
	0:00 - 6:00	6.00	RDMO	13	A	S	NDBOP, TO SET MANUAL SLIPS		
	6:00 - 8:30	2.50	RDMO	12	E	S	WAIT ON SHORTY SLIPS F/FMC-VERNAL		

Wins No.: 95775		BITTER CREEK 1122-10E						API No.: 4304739764
6:00	- 8:30	2.50	RDMO	12	E	S	WAIT ON SHORTY SLIPS F/FMC-VERNAL	
8:30	- 9:30	1.00	RDMO	13	A	P	SET MANUAL SLIPS 140K,CUT OFF	
9:30	- 12:00	2.50	RDMO	01	E	P	CLEAN PITS & RELEASE RIG 12:00 11/25/08	

EVENT INFORMATION:	EVENT ACTIVITY: COMPLETION	START DATE: 12/5/2008	AFE NO.: 2007632
	OBJECTIVE: DEVELOPMENT	END DATE: 12/13/2008	
	OBJECTIVE 2: ORIGINAL	DATE WELL STARTED PROD.	
	REASON: MV	Event End Status: COMPLETE	

RIG OPERATIONS:	Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release	Rig Off Location
MILES-GRAY 1 / 1	12/05/2008						12/13/2008

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
12/5/2008	SUPERVISOR: JD FOREMAN						MD:
	7:00 - 7:30	0.50	COMP	48		P	SAFETY MEETING
	7:30 - 15:00	7.50	COMP	31		P	MIRU NIPPLE UP BOP SDFWE
12/8/2008	SUPERVISOR: JD FOREMAN						MD:
	7:00 - 7:30	0.50	COMP	48		P	SAFETY
	7:30 - 17:00	9.50	COMP	31		P	TALLY & PICK UP 2,3/8 TBG @ 8200' CLEAN OUT TO 8222' CIRC CLEAN POOH SDFN
12/9/2008	SUPERVISOR: JD FOREMAN						MD:
	7:00 - 7:30	0.50	COMP	48		P	SAFETY MEETING
	7:30 - 15:00	7.50	COMP	37		P	MIRU B&C QUICK TEST & TEST CSG & FRAC VALVES TO 7500# GOOD TEST RIG UP CUTTERS RIH W/ 3,3/8 GUNS 23 GM .36 HOLES PERF @ 8180'-84' 4 SPF 8198'-8204' 4 SPF NO BLOW SDFN HEAT FRAC WATER & CHECK FOR H2S NO H2S FOUND
12/10/2008	SUPERVISOR: JD FOREMAN						MD:
	7:00 - 15:00	8.00	COMP	31		P	STAND BY W/ ON FRAC CREW
12/11/2008	SUPERVISOR: JD FOREMAN						MD:
	8:00 - 8:30	0.50	COMP	48		P	SAFETY MEETING
	8:30 - 19:00	10.50	COMP	36		P	MIRU WEATHERFORD & CUTTERS TO FRAC STAGE #1 BRK PERF @ 3576# INJ RT 41 BPM INJ PSI 4150# ISIP 2618# FG .77 FRAC W/ 31926# 30/50 SAND + 5000# RESIN COATED SAND + 1008 BBL SLICKWATER MP 5761# MR 41.5 BPM AP 4028# AR 41.2 BPM ISIP 2893# FG .80 NPI 275#
							STAGE #2 RIH SET 8K CBP @ 7793' PERF @ 7667'-72' 4 SPF 7758'-63' 4 SPF BRK PERF @ 2792# INJ RT 50.8 BPM INJ PSI 5100# ISIP 1870# FG .69 FRAC W/ 96852# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 2525 BBL SLICK WATER MP 5775# MR 51.3 BPM AP 4667# AR 51 BPM ISIP 2989# FG .83 NPI 1119# PUMPED 125 BBL SWEEP AT END OF 1.5 RAMP
							STAGE #3 RIH SET 8K CBP @ 7636' PERF @ 7505'-10' 3 SPF 7554'-56' 3 SPF 7574'-76' 3 SPF 7602'-06' 4 SPF BRK PERF @ 3581# INJ RT 52.1 BPM INJ PSI 4880# ISIP 2901# FG .83 FRAC W/ W 194028# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 4873 BBL SLICKWATER MP 5237# MR 53.5 BPM AP 4649# AR 52.3 BPM ISIP 2999# FG .94 NPI 98# PUPMED 125 BBL SWEEP AT END OF 1# RAMP PUMPED 250 BBL SWEEP AT END OF 1.5# RAMP SDFN
12/12/2008	SUPERVISOR: JD FOREMAN						MD:
	7:00 - 7:30	0.50	COMP	48		P	SAFETY MEETING
	7:30 - 18:00	10.50	COMP	36		P	RIH SET 8K CBP @ 7445' PERF @ 7396'-01' 4 SPF 7410'-15' 4 SPF BRK PERF @ 3860# INJ RT 40.6 BPM INJ PSI 4200# ISIP 2810# FG .83 FRAC W/ 35235# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 1017 BBL SLICKWATER MP 4458# MR 41.1 BPM AP 4006# AR 40.8 BPM ISIP 2753# NPI -57#
							STAGE #5 RIH SET 8K CBP @ 6004' PERF @ 5904'-08' 4 SPF 5966'-74' 3 SPF BRK PERF @ 2328# inj rt 41 BPM INJ PSI 3500# ISIP 1981# FG .78 FRAC W/ 55359# 30/50 SAND + 5000# 20/40 SAND + 1341 BBL SLICKWATER MP 4458# MR 41.1 BPM AP 3238# AR 41 BPM ISIP 2489# FG .86 NPI 508# RIH SET 8K CBP @ 5854' RIH DOWN WEATHERFORD & CUTTERS NIPPLE DOWN FRAC VALVES NIPPLE UP BOP TEST BOP TO 2500# GOOD TEST RIH TAG # 5854' RIG UP DRILG EQUIP SDFN
12/13/2008	SUPERVISOR: JD FOREMAN						MD:
	7:00 - 7:30	0.50	COMP	48		P	SAFETY MEETING

Wins No.: 95775		BITTER CREEK 1122-10E				API No.: 4304739764	
7:30 - 17:00		9.50	COMP	31	P	BRK CIRC DRILL OUT CBP @ 5854' 200# KICK RIH TAG @ 5975' 30' SAND ON CBP DRILL OUT SAND & CBP @ 6004' 200# KICK RIH TAG @ 7415' 30' SAND ON CBP DRILL OUT SAND & CBP @ 7445' 200# KICK RIH TAG @ 7606' 30' SAND ON CBP DRILL OUT SAND & CBP @ 7636' 400# KICK RIH TAG @ 7760' 30' SAND ON CBP DRILL OUT SAND & CBP @ 7793' 300# KICK RIH TAG @ 8210' C/O 12' OF FILL CIRC CLEAN PULL & LAY DOWN 15 JTS 2,3/8 TBG LAND ON WELL HEAD W/ 244 JTS 2,3/8 J-55 TBG EOT 7643.32' RIG DOWN DRILG EQUIP NIPPLE DOWN BOP NIPPLE UP TREE PUMP OFF BIT TRUN WELL TO FLOW BACK CREW SDFWE TO WENDY TO RIG DOWN TBG DETAIL KB 16.00 HANGER .83 244 JTS 2,3/8 J-55 TBG 7624.29 XN-NIPPLE 2.20 EOT 7643.32 BACK TO YARD 29 JTS 2,3/8 TBG	
12/14/2008	<u>SUPERVISOR:</u> TUCKER CALDWELL					<u>MD:</u>	
	7:00 -		33	A	7 AM FLBK REPORT: CP 1050#, TP 1250#, 20/64" CK, 45 BWPH, TRACE SAND, - GAS TTL BBLs RECOVERED: 2678 BBLs LEFT TO RECOVER: 8065		
12/15/2008	<u>SUPERVISOR:</u> TUCKER CALDWELL					<u>MD:</u>	
	7:00 -		33	A	7 AM FLBK REPORT: CP 1125#, TP 1250#, 20/64" CK, 37 BWPH, TRACE SAND, - GAS TTL BBLs RECOVERED: 3629 BBLs LEFT TO RECOVER: 7114		
12/16/2008	<u>SUPERVISOR:</u> TUCKER CALDWELL					<u>MD:</u>	
	7:00 -		33	A	7 AM FLBK REPORT: CP 1025#, TP 1400#, 24/64" CK, 45 BWPH, TRACE SAND, - GAS TTL BBLs RECOVERED: 4734 BBLs LEFT TO RECOVER: 6009 12:00 - PROD WELL TURNED TO SALES @ 1200 HR ON 12/16/2008 - FTP 2550#, CP 3600#, CK 20/64", 2100 MCFD, 912 BWPD		
12/17/2008	<u>SUPERVISOR:</u> TUCKER CALDWELL					<u>MD:</u>	
	7:00 -		33	A	7 AM FLBK REPORT: CP 1350#, TP 950#, 24/64" CK, 28 BWPH, TRACE SAND, - GAS TTL BBLs RECOVERED: 5538 BBLs LEFT TO RECOVER: 5205		
12/18/2008	<u>SUPERVISOR:</u> TUCKER CALDWELL					<u>MD:</u>	
	7:00 -		33	A	7 AM FLBK REPORT: CP 1375#, TP 900#, 24/64" CK, 18 BWPH, TRACE SAND, - GAS TTL BBLs RECOVERED: 6079 BBLs LEFT TO RECOVER: 4664		
12/19/2008	<u>SUPERVISOR:</u> TUCKER CALDWELL					<u>MD:</u>	
	7:00 -		33	A	7 AM FLBK REPORT: CP 1350#, TP 700#, 28/64" CK, 20 BWPH, TRACE SAND, - GAS TTL BBLs RECOVERED: 6620 BBLs LEFT TO RECOVER: 4123		
EVENT INFORMATION:		EVENT ACTIVITY: COMPLETION			START DATE: 12/8/2008		AFE NO.: 2007632
		OBJECTIVE: CONSTRUCTION			END DATE: 12/8/2008		
		OBJECTIVE 2: ORIGINAL			DATE WELL STARTED PROD.: :		
		REASON: SURFACE FAC			Event End Status: COMPLETE		
RIG OPERATIONS:		Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release
Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
12/8/2008	<u>SUPERVISOR:</u> HAL BLANCHARD		<u>MD:</u>				

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU25880
2. Name of Operator KERR MCGEE OIL & GAS ONSHORE L		6. If Indian, Allottee or Tribe Name
3a. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 435.781.7024		8. Well Name and No. BITTER CREEK 1122-10E
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 10 T11S R22E SWNW 1801FNL 532FWL		9. API Well No. 43-047-39764-00-X1
		10. Field and Pool, or Exploratory BITTER CREEK
		11. County or Parish, and State UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THE OPERATOR REQUESTS AUTHORIZATION TO RECOMPLETE THE SUBJECT WELL LOCATION. THE OPERATOR PROPOSES TO COMPLETE THE WASATCH AND MESAVERDE FORMATION. THE OPERATOR REQUESTS AUTHORIZATION TO COMMINGLE THE NEWLY WASATCH AND MESAVERDE FORMATION ALONG WITH THE EXISTING MESAVERDE FORMATION.

PLEASE REFER TO THE ATTACHED RECOMPLETION PROCEDURE.

COPY SENT TO OPERATOR

Date: 2.5.2009

Initials: KS

Accepted by the
Utah Division of
Oil, Gas and Mining

Federal Approval Of This
Action is Necessary

Date: 2/4/09

* (note 210-04)

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #65295 verified by the BLM Well Information System
For KERR MCGEE OIL & GAS ONSHORE L, sent to the Vernal
Committed to AFMSS for processing by MARTA CALL on 12/05/2008 (09MIC0028SE)

Name (Printed/Typed)	SHEILA UPCHEGO	Title	LAND ADMIN SPECIALIST
Signature	(Electronic Submission)	Date	12/04/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>RYAN ANGUS</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>12/08/2008</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office <u>Vernal</u>

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

JAN 07 2009

DIV. OF OIL, GAS & MINING





Kerr-McGee Oil & Gas Onshore L.P.
PO Box 173779
DENVER, CO 80217-3779

January 5, 2009

Robert L. Bayless, Producer LLC
621 17th St., Suite 2300
Denver, CO 80292

Attn: C. Jay Munoz

Re: Notice of Commingling
Bitter Creek 1122-10E
Section 10: SWNW
T11S-R22E
Uintah County, Utah

Dear Ms. Munoz:

Pursuant to DOGM Rule 649-3-22 "Completion into Two or More Pool," please find enclosed a copy of the sundry to be submitted to DOGM for approval.

Unless you have objection to the commingling plan, no action is required on your part. If you do wish to object to the commingling plan, comments should be directed to:

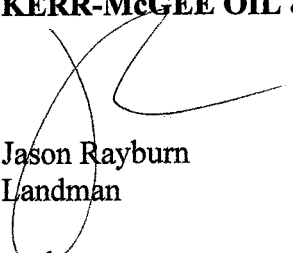
DOGM
Attn: Dustin Doucet
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Objections will be accepted up to 15 days after Kerr-McGee's application is filed with the Division (R649-3-22.3.1).

Should you have any questions or concerns, please contact the undersigned at 720-929-6262.

Sincerely,

KERR-McGEE OIL & GAS ONSHORE LP



Jason Rayburn
Landman

enclosures



Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
DENVER, CO 80217-3779

January 5, 2009

Mr. Dustin Doucet
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Notice of Commingling
Bitter Creek 1122-10E
SWNW, Sec. 10, T11S-R22E
API Well No. 4304739764
Uintah County, Utah

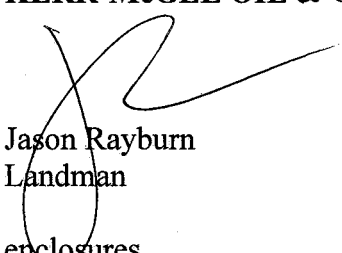
Dear Dustin,

In accordance with R649-3-22, "Completion Into Two or More Pools", please be advised that notices were sent to all contiguous owners on January 5, 2009 (copy of letter attached). Also, enclosed is an affidavit regarding the mailing of the notices together with the plat showing the location of the Bitter Creek 1122-10E well. Robert L. Bayless, Producer LLC holds interest sections contiguous to the subject well section location.

Please let me know if anything further is required in order to approve the sundry previously submitted to you regarding the recompletion of the Bitter Creek 1122-10E. I have enclosed a copy of the sundry notice.

Thank you for your attention to our request.

Sincerely,
KERR-McGEE OIL & GAS ONSHORE LP


Jason Rayburn
Landman

enclosures

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DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
UTU25880

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other
1b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.
Other _____

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

2. Name of Operator
KERR-MCGEE OIL & GAS ONSHORE Mail: sheila.upchego@anadarko.com

Contact: SHEILA UPCHEGO

8. Lease Name and Well No.
BITTER CREEK 1122-10E

3. Address 1368 SOUTH 1200 EAST
VERNAL, UT 84078

3a. Phone No. (include area code)
Ph: 435-781-7024

9. API Well No.
43-047-39764

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface SWNW 1801FNL 532FWL

At top prod interval reported below SWNW 1801FNL 532FWL

At total depth SWNW 1801FNL 532FWL

10. Field and Pool, or Exploratory
UNDESIGNATED

11. Sec., T., R., M., or Block and Survey
or Area Sec 10 T11S R22E Mer SLB

12. County or Parish
UINTAH

13. State
UT

14. Date Spudded
09/01/2008

15. Date T.D. Reached
11/23/2008

16. Date Completed
☐ D & A ☒ Ready to Prod.
12/17/2008

17. Elevations (DF, KB, RT, GL)*
5718 GL

18. Total Depth: MD
TVD 8260

19. Plug Back T.D.: MD
TVD 8222

20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
CBL-CCL-GR / SD, DSN, ACTR

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☒ No ☐ Yes (Submit analysis)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20.000	14.000 STEEL	36.7		40		28			
12.250	9.625 J-55	36.0		1850		575			
7.875	4.500 I-80	11.6		8260		1695			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	7643							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH	5904	5974	5904 TO 5974	0.360	49	OPEN
B) MESAVERDE	7396	8204	7396 TO 8204	0.360	148	OPEN
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
5904 TO 5974	PMP 1341 BBLS SLICK H2O & 60,359# 30/50 SD
7396 TO 8204	PMP 9422 BBLS SLICK H2O & 378,041# 30/50 SD

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
12/17/2008	12/23/2008	24	→	0.0	1839.0	240.0			FLows FROM WELL
Choke Size	Thg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
20/64	SI	1386.0	→	0	1839	240		PGW	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
12/17/2008	12/23/2008	24	→	0.0	1839.0	240.0			FLows FROM WELL
Choke Size	Thg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
20/64	SI	1386.0	→	0	1839	240		PGW	

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #66243 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

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DIV. OF OIL, GAS & MINING

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

29. Disposition of Gas(Sold, used for fuel, vented, etc.)
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
GREEN RIVER	830				
BIRDS NEST	1009				
MAHOGANY	1576				
WASATCH	3866	6078			
MESAVERDE	6100	8211			

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

- | | | | |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd.) | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis | 7. Other: | |

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #66243 Verified by the BLM Well Information System.
For KERR-MCGEE OIL & GAS ONSHORE L, sent to the Vernal

Name (please print) SHEILA UPCHEGO

Title OPERATIONS

Signature

(Electronic Submission)

Date 01/12/2009

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL **

STATE OF UTAH)

) ss

COUNTY OF UINTAH)

AFFIDAVIT

Jason Rayburn, of lawful age, and being first duly sworn upon oath, deposes and says:

He is a Landman of Kerr-McGee Oil & Gas Onshore LP, of Denver, Colorado. Kerr-McGee Oil & Gas Onshore LP is the operator of the following described well:

**BITTER CREEK 1122-10E
1801' FNL, 532' FWL (SWNW)
SECTION 10, T11S- R22E
UINTAH COUNTY, UTAH**

Kerr-McGee Oil & Gas Onshore LP and Robert L. Bayless, Producer LLC., are the only owners in the well and/or of all the contiguous oil and gas leases or drilling units overlying the pool.

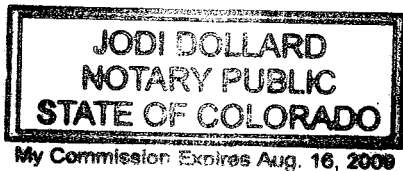
On the 5th day of January, 2009, he placed in the United States mail, with postage prepaid, a copy of the attached Application for Commingling into two or more pools (formations) in one wellbore for the subject well.

Said envelope which contained these instruments was addressed to the Utah Division of Oil, Gas & Mining and Robert L. Bayless, Producer LLC.

Further affiant saith not.

Jason Rayburn, Affiant

Subscribed and sworn before me this 5th day of January, 2009.



Jodi Dollard
Notary Public

My Commission Expires:

Aug. 16, 2009